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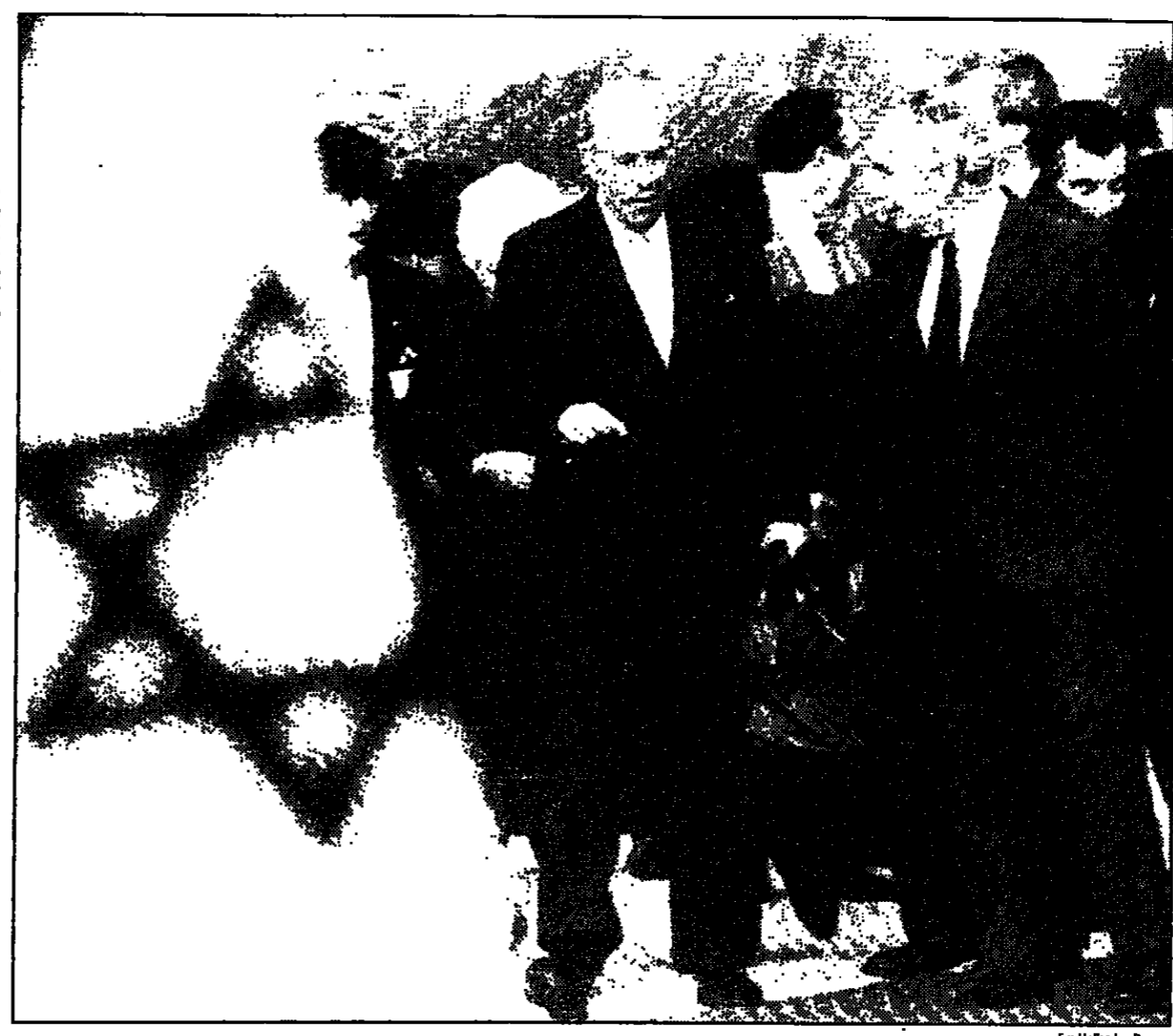
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Table with subscription rates for various countries including Algeria, Austria, Bahrain, Belgium, Canada, etc.

ESTABLISHED 1887

ANC Vows to Step Up Fight In Response to Clampdown

By William Claiborne... JOHANNESBURG — The African National Congress guerrilla movement vowed Thursday to step up its armed struggle against white minority rule in South Africa in response to the government clampdown on leading anti-apartheid organizations.



Secretary of State George P. Shultz, left, was welcomed to Israel on Thursday by Foreign Minister Shimon Peres.

Shultz Arrives In Israel

2 Palestinians Killed in Clashes; 100 Are Arrested

By David K. Shipler... JERUSALEM — With a warning and a plea, Secretary of State George P. Shultz arrived in Israel on Thursday to pursue a peace mission against great odds.

Kiosk

Noriega Fired By Panama

PANAMA CITY (AP) — President Eric Arturo Delvalle ordered Noriega's military chief, General Manuel Antonio Noriega, out of his post on Thursday and named a replacement.

France's Economy Limits Candidates

By Reginald Dale... PARIS — With presidential elections just two months away, the French economy is caught in a "low growth trap" that leaves candidates little room for proposing bold new policy initiatives, economists and independent analysts say.

Britain to Sell Utility for £27 Billion

By Karen DeYoung... LONDON — Britain's energy minister announced plans Thursday to denationalize the electricity industry in England and Wales, a £27 billion (\$47.5 billion) sale that would far outstrip previous privatizations undertaken by the Conservative government.



Roh Tae Woo being sworn in Thursday as president of South Korea. Page 6.

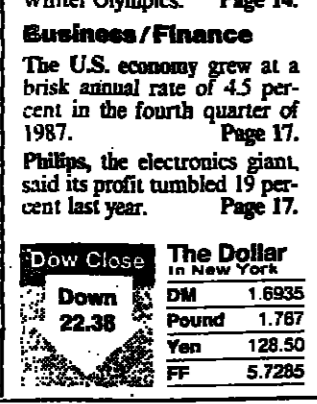
De Benedetti Doubles Bid For Generale

By Jacques Neher... PARIS — The Italian financier Carlo de Benedetti, refusing to accept victory claims by a rival group fighting for Societe Generale de Belgique, doubled his cash offer Thursday for shares that would give him majority control of Belgium's largest company.

Moscow Appears to Ease SDI Opposition

By Philip Taubman... MOSCOW — The Soviet Union, apparently dropping a key objection to the American development of space-based weapons, would not oppose the testing of components of such weapons in space, a senior Soviet official said Thursday.

The French Economy: Three Comparative Measures



Wind Shifts for PLO Veterans

By Jonathan C. Randal... TUNIS — Their waists are thicker, their hair often grayer and thinner, but the uprising in the West Bank and Gaza Strip has reinvigorated the veterans around Yasser Arafat who for a generation have helped him run the Palestine Liberation Organization.

Obesity: A Low Metabolism or Gluttony?

By Gina Kolata... NEW YORK — Two new studies have provided the strongest evidence yet that many people become obese because their bodies burn calories too slowly than because they eat too much.

The Humdrum Jimmy Swaggart Affair

A Professionally Irreverent View of Pulpit Peccadilloes By William E. Geist... NEW YORK — One woman started crying all over again when asked for her reaction to the Reverend Jimmy Swaggart being put on two years of probation for sexual indiscretions.

The Humdrum Jimmy Swaggart Affair

By William E. Geist... NEW YORK — One woman started crying all over again when asked for her reaction to the Reverend Jimmy Swaggart being put on two years of probation for sexual indiscretions.

BRIEFS

With Afghan Rebel... Department official has... from Afghanistan, the depa...

Bombing in Manila

made bomb wounded 15 people... to mark the second anniversary... the president, Ferdinand E....

Peace Talks

Halts Peace Talks... Revolutionary Guards, along... crushed an Iraqi commu...

Raid on Iraq

Revolutionary Guards, along... crushed an Iraqi commu... of Kirkuk.

Peace Talks

Halts Peace Talks... Revolutionary Guards, along... crushed an Iraqi commu...

UPDATE

Highway Is Bar

Highway Is Bar... construction of a new highway... adjacent to the... government proposed reducing...

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In Race for the White House, TV Spots Are Getting Nastier

By Lloyd Grove... Washington Post Service... WASHINGTON — The 1988 campaign is proving again a time-honored truth: Negative television commercials can be effective.

"It just reconfirms my view that negative ads matter," said Larry Sabato, a political scientist at the University of Virginia. "Candidates who ignore them do so at their own peril. You've got to fight fire with fire."

such issues as taxes, Social Security and the oil-import fee. "It's clear that a negative message in a volatile environment where the support for your candidate is soft can have a decidedly big impact on the voter's decision," said Mr. Dole's poll-taker, Richard Wirthlin.

The most recent example, from Tuesday's South Dakota primary, was the late-breaking commercial of Representative Richard A. Gephardt, Democrat of Missouri, attacking a Democratic rival, Governor Michael S. Dukakis of Massachusetts, for, among other sins, suggesting that farmers "have to diversify and grow blueberries, flowers and Belgian endives."

Similarly, in the week before Mr. Dole's victory in the Iowa caucuses, several polling organizations indicated that he was catching up with Mr. Bush in New Hampshire as he began airing a commercial — known as the "Doonesbury Spot" — in which Mr. Bush's face slowly faded away as an announcer claimed that "he had nothing to do" with many Reagan administration accomplishments.

Mr. Dukakis's communications director, Leslie Dach, said he doubted that a blitz of negative ads would work in the March 8 "Super Tuesday" contests, in 20 primary and caucus states. "You can only repeat those tactics in very small states," he said.



Vice President George Bush in Vermont, insisting that Pat Robertson apologize for suggesting the Bush campaign leaked information about Mr. Robertson's fellow evangelist, Jimmy Swaggart.

Falwell vs. Flynt: Court Reinforced Crucial Role of Malice in Libel Cases

By Alex S. Jones... New York Times Service... NEW YORK — The unanimous Supreme Court decision in the Hustler magazine case was an extremely valuable two-tier victory for journalists and First Amendment advocates.

In his suit against Hustler, Mr. Falwell had sought to find a way around the obligation he had as a public figure to prove libel, which, under the Sullivan rule, required him to prove not only falsity but also actual malice.

able to punish Mr. Flynt, Hustler's publisher, because it was outrageously false and insulting and had been intended to cause emotional damage.

In reversing a lower court's award of \$200,000 to the Reverend Jerry Falwell for "emotional distress" caused him by a parody in Hustler, the court effectively shut off an effort to make it easier for public figures to muzzle criticism and satire.

NEWS ANALYSIS... as having committed incest with his mother in an outhouse. In small print at the bottom of the page the magazine had printed, "A parody — not to be taken seriously."

But the court ruled that outrageousness was so subjective a standard and so prone to jury misuse that it simply could not withstand First Amendment challenges.

"It is an essential win because the lower court had found a way to end-run and potentially abort all the protections that the Supreme Court previously had accorded to the media in libel cases," said Henry R. Kaufman, general counsel for the Libel Defense Resource Center in New York.

Mr. Falwell sought damages for invasion of privacy, for libel and "for intentional infliction of emotional distress."

First Amendment lawyers say Supreme Court rulings since the mid-1980s do not mark a significant expansion of what is considered protected by the First Amendment.

But, just as important, Wednesday's decision powerfully reinforced the so-called Sullivan rule, established by the Supreme Court in 1964, which has been the principal legal bulwark for news organizations in libel actions.

Mr. Falwell argued that what Hustler had published was so outrageous that there should be a mechanism for protecting public figures from such pornographic assault. "I've simply tried to protect myself and the memory of my mother" and to end "the kind of sleaze merchandising that Larry Flynt typifies," Mr. Falwell had said.

But Mr. Falwell was awarded \$200,000 in compensation for emotional distress. The ruling was later upheld by a federal appeals court and was argued before the Supreme Court in December.

Dole Dismisses 2 Aides to Streamline Campaign

The Associated Press... JACKSONVILLE, Fla. — Senator Bob Dole dismissed two top officials in his presidential campaign on Thursday, saying he was "trying to tighten up" for the "Super Tuesday" primary elections.

"We're in a different kind of campaign at this time," Mr. Brock said. "There is tension in any campaign."

Earlier, at an Orlando campaign stop, Mr. Dole said that Mr. Brock had brought a disinformation campaign to Florida.

Mr. Dole complained that Miami ads as now running in Miami that were also used by the Bush campaign in New Hampshire and Vermont distort Mr. Dole's views.

Mr. Robertson asserted that his Christian Broadcasting Network did give information about American hostages to the administration but the information apparently went nowhere.

Filibustering: An Old Tactic Ties Up U.S. Senate

By Irvin Molotsky... New York Times Service... WASHINGTON — Once again, as it has done periodically over the last seven decades, the Senate has pinned itself to the floor with its own unusual wrestling move: the filibuster.

Robert C. Byrd of West Virginia, warned the Republicans that this would be a gloves-off fight, with the Democrats using every parliamentary device at their command to try to invoke cloture, which would cut off debate, although he conceded that he did not have the 60 votes needed to do that.

From the 1920s through the 1960s, the filibuster was used largely by Southern senators to block passage of civil rights legislation, Mr. Ritchie said. In 1975, the rule was changed to allow cloture on the vote of 60 percent of the Senate membership.

Mr. Dole said the country needed to control wasteful Pentagon spending with an inspector general "meaner than a junkyard dog," but he said he would not compromise on defense.

Reacting to Mr. Reagan's public skepticism, Mr. Robertson said, "I wasn't meaning to start some major confrontation with a person I admire tremendously, but obviously the State Department must have dismissed what we had to say, or else they didn't refer it up the line to the president."

U.S. AIDS Panel Chief Seeks \$2 Billion

By Philip M. Boffey... New York Times Service... WASHINGTON — The chairman of President Ronald Reagan's AIDS commission has called for a \$2 billion-a-year effort to expand treatment programs for drug abuse and improve health care services to combat the growing epidemic.

legislatures as well as White House policy on the AIDS epidemic.

strong evidence that the drug AZT could protect some of those who are infected but have not yet become ill. The Washington Post reported.

Earlier research had shown that the drug can improve and prolong the lives of people with AIDS, but this study of 18 infected men with no visible symptoms suggests that AZT can also shield the immune system from damage caused by the virus.

"There has not been a national strategy" to combat AIDS, Admiral Watkins acknowledged.

Admiral Watkins estimated that his proposals would require roughly \$2 billion a year in new funds, half supplied by the federal government and half by state and local governments.

Britain announced Thursday that it will contribute more than £3.6 million (\$6.3 million) through the World Health Organization to AIDS control programs in Uganda, Tanzania and Kenya. The Associated Press reported from London.

Over the next five years, Tanzania's national AIDS program will receive £1.5 million, Kenya's £1 million and £1.13 million will go towards the rehabilitation of a virus research unit in Entebbe, Uganda.

"The report is based on testimony of more than 350 witnesses distilled by Admiral Watkins and his 30-member staff."

Admiral Watkins's ambitious recommendations on developing new treatments for AIDS, providing health services to victims and stopping the spread of the AIDS virus among drug abusers were released even before the commission had completed its task in an effort to influence legislation in Congress and in state

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TNT Limited through its subsidiary TNT Express (Germany) GmbH has completed the employment of three BAe 146 ("Quiet Trader") aircrafts for its European Overnite Air Express Service. WestLB Düsseldorf has assisted TNT in structuring the transaction and financed. US-\$ 60,000,000 WestLB Westdeutsche Landesbank Girozentrale Düsseldorf Münster February 1988 Branches: London New York Tokyo Hong Kong Subsidiaries: WestLB International S.A., Luxembourg Banque Franco-Allemande S.A., Paris Bank für Kredit und Aussenhandel AG, Zurich Representative Offices: Beijing Melbourne Moskow Osaka Rio de Janeiro Tokyo Toronto

WE BUY FINE WATCHES... GUARANTEED MINIMUM \$50 FOR THE ABOVE MAKES UP TO \$10,000 FOR FINE EXEMPLES IN GOLD - ALL FINE WATCHES WANTED IN ANY CONDITION... AUSTIN KAYE - 408 STRAND - LONDON WC2... 01-249 2343 - TELEPHONE - 01-249 1888

In Vienna, your preferred choice is Hotel Im Palais Schwarzenberg. A modern luxury hotel in a unique baroque palace, centrally located yet very quiet, 7 minute walk to the State Opera, surrounded by acres of private park. Grand deluxe service, all rooms are spacious semi-suites or suites. Beautiful halls for dinner parties, receptions, balls and conferences. PREFERRED HOTELS... United States, Canada, Caribbean, Europe and Far East. For reservations, or to receive a free Preferred Hotels Directory, have your travel planner call Utell International

Argentine Heads The World Court... THE HAGUE — The World Court elected an Argentine judge as its president on Wednesday, a court official announced. The 15 judges of the court chose Judge José María Ruda to hold the body's highest position until 1991, while Kees M'Baye of Senegal was re-elected as vice president, the official said. Judge Ruda, who succeeds Judge Nagendra Singh of India, has been a member of the court since 1973. Judge M'Baye has been a member since 1982.

We now offer an even wider choice.

ARRIVALS JAPAN AIR LINES NEW NON-STOP SERVICE FROM FRANKFURT TO TOKYO. From April we have an even wider choice of non-stop flights to Tokyo. And with 3 non-stop flights leaving from Paris and London, our convenient evening departures offer even better connections from Europe. We widen your options, as you broaden your horizons.



Contras Need Some Aid

Many House Democrats are so disgusted with Reagan administration policy toward Nicaragua that they would stop all aid to the contras.

Those are two powerful reasons for congressional liberals and moderates today to support the plan for nonmilitary aid now proposed by House Speaker Jim Wright.

When the House defeated new military aid to the contras on Feb. 3, Mr. Wright responsibly promised an alternative.

Would that promote peace in the region? Liberals would do well to heed the messages coming from President Oscar Arias Sanchez of Costa Rica, who launched the present peace plan.

Why Was Meese Asked?

The question in the latest episode in the Edwin Meese saga — the Iraqi pipeline affair — is this: Why had E. Rabi Wallach, the attorney general's college classmate, longtime friend and sometime attorney, turned to him in this improbable case in the first place?

Much attention has been paid to whether one of the documents released this week, a memo from Mr. Wallach to Mr. Meese, mentioned a possible illegal payment, and whether Mr. Meese reacted properly to it.

Genetics and the Law

Item: The National Academy of Sciences supports a \$3 billion project to work out the full chemical data base of human genes.

Item: On a farm in Texas, seven genetically identical bulls have been produced by a new technique for cloning cattle.

Item: The U.S. Patent and Trademark Office has ruled that farmers who breed from patented, genetically improved animals must pay royalties on the offspring to the inventor for 17 years.

This rush of advances is likely to be met with as much hesitation as it is being met with as much enthusiasm as it is being met with.

In fact, such applications are still far off, and there is time to work out problems as they arise.

But knowing the sequence of the AIDS virus falls far short of understanding how the virus works, and the three billion letters of the human genetic program will not explain everything about the human machine.

The technique of cloning, or making genetically identical organisms, was developed years ago in frogs but has only recently been applied to cows.

trus; for the House to vote down nonmilitary aid to the contras would pull the rug out from under his strategy.

Mr. Wright's aid package contains \$14.8 million in food, clothing and medical supplies for the contras; \$1.2 million for the Misquito Indians, and about \$9 million for a special fund to help the children of the war.

Of equal importance, the plan sets up a procedure for a new vote if no cease-fire is reached. At that point, the House Intelligence Committee would issue a report sorting out whether the Sandinists or the contras were to blame for the failure.

The Reagan administration would like nothing better than to have the peace talks collapse, and be able to fault both the Sandinists and congressional liberals. That would provide the political leverage needed to force Congress to renew military aid to the contras.

As a result, the problem simply will be dumped on the next president, with congressional liberals and moderates on the defensive. The way to ward off that outcome is to back the Wright plan.

Negotiations are not going well between the Sandinists and contras. Cardinal Miguel Obando y Bravo, the Nicaraguan mediator, abruptly ended cease-fire talks two weeks ago charging that the Sandinists were not offering enough. The cardinal continues to press the Sandinists more than the con-

domestic corporations and their agents. If the money had been misappropriated at the Israeli end — and there is no evidence that any money was paid — it would have been a matter for the Israeli courts.

Nor does it appear that there was a violation of any internal code of ethics. Mr. Meese made no decisions about the pipeline himself. He referred to Robert McFarlane, who was then President Ronald Reagan's national security adviser, wrote a polite note to Shimon Peres, head of the Labor Party, urging him not to approach Secretary of State George Shultz, and kept the relevant papers on file. No evidence has been offered that the attorney general stood in gain personally from the pipeline or even that the plan to build it was a bad idea.

Nevertheless, it is dismaying once again to note the attorney general's lack of sensitivity to the appearance of his own conduct. Whether or not evidence of a crime or ethics violation is produced here, it is clear that Mr. Meese continues to be oblivious to the implications for himself and for the administration, of his involvement in government policy-making that benefits his friends. Mr. Wallach stood to make a lot of money, and he attempted to trade on his friendship with the attorney general to involve the U.S. government in it. Yet after all the accusations Mr. Meese has faced, all the questions that have been raised about his ethics, his finances and his favors for friends, he did not have the good sense or the willpower to sidestep this influence peddler. He should have told Mr. Wallach to get lost. Mr. Meese still seems unable to see the distinction between public and private business.

Politics of Trade Have Come Home to Roost

By Robert Strauss

WASHINGTON — It is no surprise that trade issues are beginning to affect U.S. presidential politics. Trade has threatened to do so in the past, but never made it.

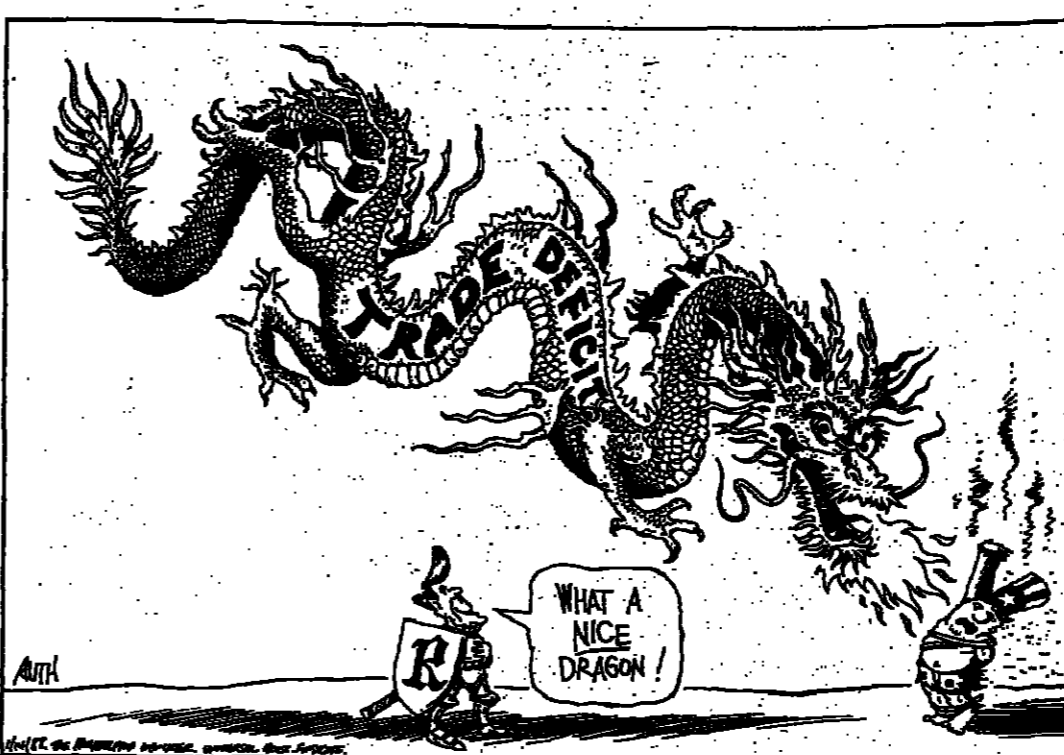
It is not the magnitude of abstract numbers that is catching the voters' attention — not the value of the dollar, nor the massive trade deficit, nor America's position as the world's largest debtor. The unfairness of the situation is what offends Americans. Unfortunately, that unfairness causes a visceral and inaccurate reaction that unfair trade practices are the sole reason for our miserable trade picture when, in fact, they are only a modest part of the problem.

Why is this subject so compelling now? After all, the problem has been growing for the preceding two decades. Why has this conduct now become less tolerable? The difference between today and yesterday is not that the barriers abroad are higher, or that the United States is poorer or that our unemployment is higher.

The difference is that U.S. tolerance of foreign barriers has become much reduced. This is largely because Americans realize that other countries' economies have grown dramatically during these years; that these countries are now no longer weak and poor; and that they have been slow to abandon protectionist policies.

While we are not perfect, it takes only a few examples of closed markets abroad and openness at home to elicit a strong response from the U.S. electorate that it is time that others do their share by bearing the burdens of international trade as well as accepting the benefits of access to foreign markets.

But, what is to be done? There has been much silly talk of a choice between protectionism and free trade and expressions of concern that Congress is about to revert to a 1930 Smoot-Hawley approach to trade. This is just plain nonsense. The leadership of Congress, Democratic and Republican, is not protectionist, but



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It does expect that a tougher standard be maintained in dealings with our trading partners. This is not unreasonable. In large part, this is what the current trade bill is all about — providing a legislative mandate and the tools needed to get the job of trade negotiations done.

Is the trade bill just right? No, it is about what you would expect from a process in which the executive and the legislative branches have so far failed to come together for the tough bargaining that would result in sensible compromises. That is the necessary next step, and there is no time like the present to get the job done, and the players know it. The administration will spend most of its time trying to throw out some of the embellishments produced in Congress, but with a week or so of dedicated effort there is nothing to prevent a sound bill from being worked out. The United States needs this legis-

OPINION

Governors Critique the Candidates

By David S. Broder

WASHINGTON — After several weeks on the road with the presidential candidates, a reality fix was badly needed. Fortunately, the governors were in town to provide it.

The men and women who run state governments cannot hide in the warm, fuzziness of presidential campaign clichés. They have to provide the services their constituents demand, and balance their budgets at the same time.

You could not find people better qualified to critique what has been happening in the campaign, and few governors have more impressive records in their past and present jobs than Thomas H. Kean, Republican of New Jersey, and Neil Goldschmidt, Democrat of Oregon.

Both are innovative, activist and moderate. Both have an unusual ability to attract support across party lines. Neither has endorsed a candidate for president and neither is strongly attracted by what he has seen.

"If any candidate with a chance of winning said, 'I want to govern the country and I'm interested in building a coalition that will make that possible,' I'd be for him," Mrs. Goldschmidt said. "But none of them is really creating a vision that relates to governing."

After eight years of rather passive Republican leadership in Oregon, Mr. Goldschmidt defeated a strong Republican opponent in 1986 by offering a persuasive blueprint for bringing the state out of its long economic decline. He won significant Republican and business support in the campaign and has used it to move his programs forward as governor.

He is convinced that a Democratic presidential candidate could elicit similar support from Republican realists if he offered a similarly thoughtful and specific blueprint for moving the United States more competitive. Instead, however, the main Mr. Goldschmidt considers perhaps most able to offer such leadership, Governor Michael S. Dukakis of Massachusetts, has bragged across America that he is the custodian of the "Massachusetts miracle," which, somehow reduces unemployment, curbs welfare and builds flourishing communities without sacrifice.

As it happens, Mr. Goldschmidt as mayor of Portland helped make that city a West Coast version of Boston, a city of great amenities with a healthy high-tech and services economy. But, he said, "If I had run for governor on 'The Portland Miracle,' it would have sounded unbelievably arrogant to the people in the counties which have been losing jobs and population."

As for Representative Richard A. Gephardt of Missouri, Mr. Goldschmidt, who as a businessman and a governor has had firsthand experience with Japanese trade practices, thinks some of his anger at the exclusionary policies of U.S. trading partners is well-justified.

But, like most others who take the issue seriously, both Mr. Goldschmidt and Mr. Kean say the real barriers to U.S. success in the international economy lie at home: lagging investment and productivity, foreign-language illiteracy and cultural disdain for tailoring American products and services to foreign tastes.

"I don't blame Dick Gephardt for what he's doing," Mr. Goldschmidt said, "but there's not an ounce of governance in any of it." In other words, it is a quick fix, rather than preparing them for what they must do to assure their jobs and living standards.

Mr. Kean, who has overseen the modernization of New Jersey's economy, is even more disdainful of Mr. Gephardt's "remedy." But he is also disappointed in the Republican front-runners, George Bush and Bob Dole.

"They both want to be Reagan's heir," he said. "But they forget that Reagan had more than a pleasant television manner. He had a clear view of America and a plan, whether you agreed with it or not, for where he wanted to take it."

Mr. Kean continued: "At the moment, there's a fever of expressing ideas. Ideas are controversial, and the professionals [journalists] seem to want to keep their candidates out of that kind of controversy. That may get them through the primaries, but in the general election, people need to know where you're going. Otherwise, even if you win, you can't govern."

That word "govern" again. Governors know that what elections are for: to create a mandate for governing. So far, the best of the breed, the Goldschmidts and the Kean, find it easy to stay neutral because the presidential candidates of their parties are not using the campaign that way.

Overconsumption Eats Into America's Good Name

By John D. Paulus

NEW YORK — Recently there has been much loose talk about U.S. borrowing abroad reflecting the United States' attractiveness as an investment for foreigners. Nothing could be further from the truth, given the dollar's fall against other leading currencies in the past three months, as well as its decline of a far larger amount in the past two years.

This depreciation in the U.S. currency, especially when viewed against the background of sharply diminished capital inflows from private investors, coupled with increasing inflows from foreign central banks attempting to prop up the sagging dollar, implies that the United States is seen as a risky nation in which to place funds.

The sad fact is that in the past 15 years America, in proving to be an unreliable master of the global financial system, has squandered a great resource: its franchise as the premier financial power in the world, the best name in the market, so to speak.

America achieved the dubious distinction of downgrading its name and, therefore, of imperiling its financial might by pursuing inflationary monetary policies in the 1970s and by implementing in the 1980s a stimulative fiscal policy while other industrial powers tightened their fiscal policies through tax increases and reductions in government spending.

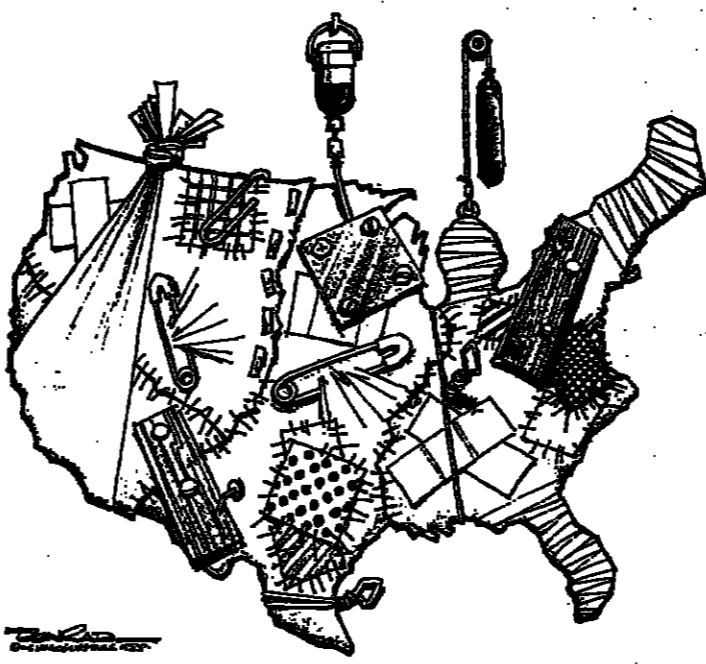
The stimulative U.S. fiscal policy has been so far out of the mainstream since 1982 that it has promoted an expansion of domestic spending 60 percent greater than those of other industrial nations in the past six years.

As a consequence of these erratic and misguided policies, in 15 years the dollar has fallen more than 50 percent against the yen and more than 30 percent against most other currencies.

The latest example of U.S. irresponsibility is severe overconsumption, stemming from the disparity in fiscal policies in the 1980s. As a result of overconsumption, America now must borrow roughly \$150 billion a year from foreigners to finance its year in household spending, which, according to my calculations, is running about \$150 billion above its long-term trend. In other words, America as a nation is borrowing from foreigners to maintain a high level of consumption since, as it turns out, the share of gross national product devoted to household spending since 1986 has been at, or close to, a post-World War II record high.

There is no truth to the assertion that foreign borrowing reflects good things and that such capital inflows have been used to expand the U.S. commitment to capital spending. On the contrary, the share of GNP devoted to business fixed investment, at 11.8 percent in 1987, is practically the same as it was in 1980. No wonder foreign central banks have had to play an increasingly dominant role in financing the United States, supplying an estimated 75 percent of the foreign capital needed to stem the shortfall in foreign trade in 1987.

The loss of America's franchise as the world's financial leader has three major implications. First, the United States must surrender a measure of policy autonomy. Because of the succession of irresponsible economic policies in the past 15 years, financial markets have taken a harsher view of certain U.S. economic policies, which they regard as self-centered. As a result, the U.S. ability to undertake an independent course without punitive costs has diminished.



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Second, U.S. citizens will suffer an enormous loss of wealth. The decline in the dollar that accompanies the effective downgrading of America means that prices of imported goods, which now account for a little more than 10 percent of domestic spending, will have to rise. In fact, from current levels, every 10 percent drop

The world will survive without the United States serving as the linchpin of the global financial system, but it will be a less hospitable place for America.

in the dollar will add about \$50 billion to the U.S. import bill, not just for a year but for every year to come. Moreover, U.S. wealth will be eroded because the country will have to pay more to borrow abroad in order to compensate foreigners for investing in a fallen angel. It is not far-fetched to say that the tarnish on the nation's name in financial circles could mean Americans will have to pay more than \$100 billion a year extra in higher import and foreign borrowing costs, a staggering sum even in Washington.

And there is a risk that the government will be forced by the electorate to adopt economic policies favoring even more consumption in a vain attempt to restore lost wealth and boost the lagging standard of living. Such efforts would fail because they would discourage the primary source of wealth: investment in real capital.

In the process, however, these efforts could cause further havoc in the struggle to eliminate the trade deficit. The world will survive without the United States serving alone as the linchpin of the global financial system, a role that most likely will have to be shared by a reluctant Japan, a hesitant West Germany and a chastened United States. Moreover, it is possible that global economic growth could actually accelerate in the next decade if the movement toward reduced government involvement in economic affairs continues and if the revolution in high technology bears fruit. Nevertheless, it will be a less hospitable place for America.

The writer, managing director and chief economist of the investment bank Morgan Stanley & Co., contributed this article to The Washington Post.

How a Swaggart Can Sway the South

By Ray Jenkins

BALTIMORE — As the weary postal clerks of Baton Rouge, Louisiana, can attest, the Jimmy Swaggart ministry gets a lot more letters each day than the next biggest mail center in town: the state government. But then, Mr. Swaggart's constituency — at least up until his fall from grace last Sunday for apparent sexual misconduct — was easily as large as the population of Louisiana, and more committed to the state religion, which is football.

But large as the mail response may be, it is still a little misleading to suggest that the captivating preacher is growing rich by scandalously bilking poor widows into sending their mites each week to Baton Rouge. To be sure, one can cite occasional anecdotes of giving to the point of hardship, but the fact is, the annual receipts of the Swaggart ministries — just under \$150 million last year — represent an average of around \$1 a week from each viewer. Probably not all the television ministries combined would make the Fortune 500 list.

Still, even if the faithful are falling down on their biblical obligation to tithe 10 percent of their income, their loyalty is 100 percent because it is deeply rooted in the Southern experience — an experience of poverty, isolation, poor diet, scanty education and vulnerability to the terrors of nature.

In a sense, Mr. Swaggart appeals to the spiritual side of the same people whose political yearnings were expressed by the former Gov-

ernor of Alabama, George C. Wallace, in the 60s and 70s. The message, in both instances, is an appeal to the Southern inferiority complex. Where Mr. Wallace told them they were "just as cultured and refined and dedicated" as people anywhere, Mr. Swaggart tells them their simple faith will be rewarded in heaven while the upper crust — liberals, ecumenists, psychologists, filmmakers, homosexuals and pornographers, to name a few — will be consigned to eternal torment.

Mr. Swaggart's identification with the powerless masses is genuine. From his sermons one can glean poignant fragments of his roots in the sharecropper-and-linthead (cotton-mill worker) culture of the South. He was born in the middle of the Depression in the infertile hill country of Louisiana. So desperate was the family's poverty that his mother "had to chop cotton when she was nine months pregnant with me." His father, not yet "saved," earned a little money by playing the fiddle and guitar in bayou honkytonks — sometimes maybe getting a little drunk.

When Jimmy Swaggart was 4, he suffered a searing experience: the death of a baby brother. Tears still come to his eyes when he describes the tiny corpse lying in a makeshift coffin. "The plague was on our family," he whispers. "We were so poor we couldn't even afford a little marker for his grave."

For these people, life is not so hard nowadays. Now, they tend to work in cotton mills instead of the cotton fields or maybe even run gas stations rather than work in the gas fields. But the terrors are still there in the form of cheap textiles from China, cheap oil from Saudi Arabia and, above all, the cynical, greedy and exploitive forces in their own country. A dollar a week is a very cheap price for a ticket to the perfect future that Jimmy Swaggart offered. His fall from grace is not likely to shake that faith.

The writer, a former editor of The Montgomery-Advertiser Journal in Alabama, is now the editorial page editor of The Baltimore Evening Sun. He contributed this comment to The New York Times.

100, 75 AND 50 YEARS AGO

1888: Fair Forewarning LONDON — A new formula is suggested for invitations to London dinner parties. It is proposed to add after the invitation itself the following: "Lady Blank proposes sending in Mr. and Mrs. Smith and Mrs. Brown and Sir John Robinson. Should any of the parties not be upon speaking terms, will they kindly let Lady Blank know before the date of the dinner?"

The new mode of expressing themselves is growing almost imperative for London hostesses, owing to the number of people who have personal objections to their neighbors.

1913: Wandering Turks PORT SAID — It is rumored that the wandering Turkish cruiser Hamidieh will arrive at Port Said to-night [Feb. 25]. More than five weeks have now elapsed since the irresponsible Turkish cruiser Hamidieh "escaped from the Dardanelles under cover of fog and, managing to elude the Greek fleet, made for Port Said. It appears

to be established that the Hamidieh escape was not in accordance with orders from the Turkish Government, but was the consequence of a mutiny of the crew.

1938: No Sweeter Lips SAN FRANCISCO — A nation-wide manhunt for debonair thirty-seven-year-old James Mowrey, whose "narcotic kiss" case first broke here, was launched today [Feb. 25] after they told police how Mowrey's caresses left them "with strange raptures" and in a "hypnotic" condition of helplessness. The women, known as "trembling knees and a feeling of helplessness," the women charged with bigamy and wanted in connection with another similar narcotic case, doped them by transferring narcotic from his lips to theirs and they had become virtually insensible. "His kisses were strangely powerful," Vivienne Korth Mowrey, thirty-two, told Ellis Street station inspectors.

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Soviet Offer... EROP TOPIC... GAZ EXPERTS... DAM PRO...

OPINION

Governors Critique the Candidates

By David S. Broder

WASHINGTON — After several weeks of the road with the badly needed reality in the men and women who run the state of presidential campaigns...

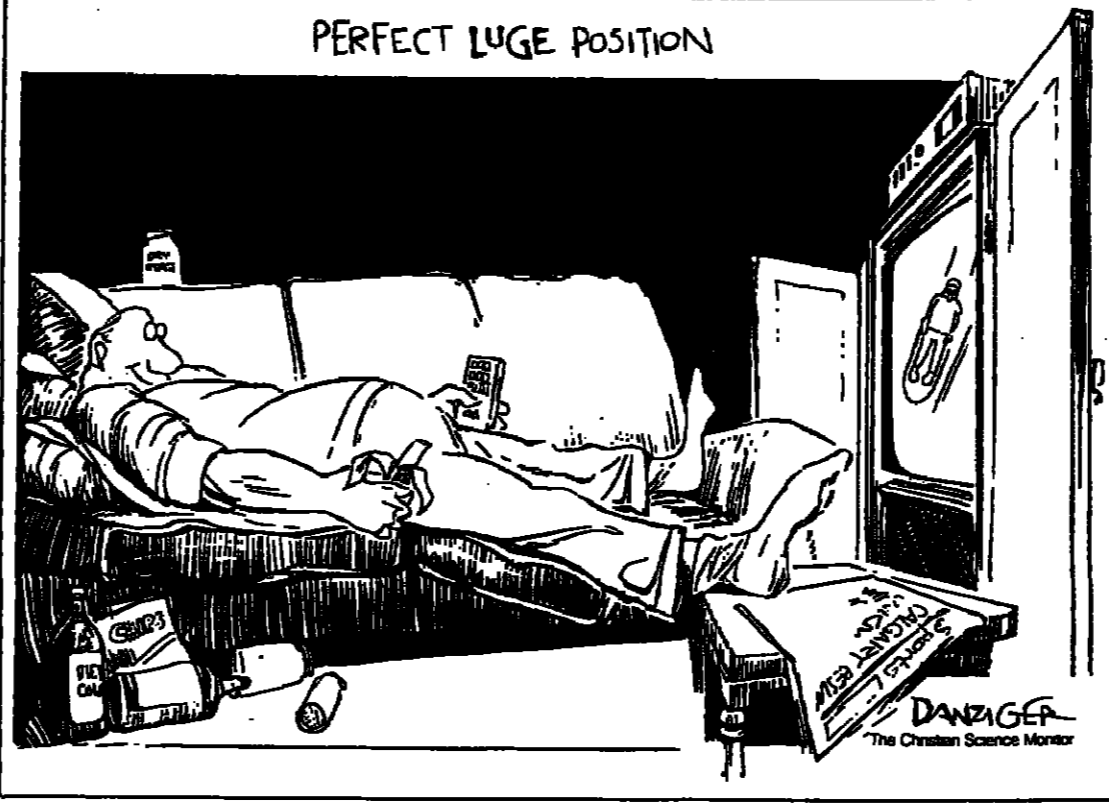
Soviet Economic Realities Offer Washington a Choice

By William Safire

WASHINGTON — The United States has just been told by a well-placed informant inside the Kremlin that the Soviet Union is not the economic power that U.S. intelligence analysts have long thought it was...

U.S. allies in Europe are rushing to lend Moscow money, while accommodations in the United States want to offer the Soviets most-favored-nation status.

spending now amounts to 6 percent of America's gross national product. In a little-noted passage during a long speech last week to the Communist Party-Central Committee, Mikhail Gorbachev made a revelation that kicks the U.S. estimates into a cocked hat...



LETTERS TO THE EDITOR

'The Spreading Fire' Would Be Even Worse Elsewhere is beleaguered and overreacting in an ordinary, human way. EDWINA CURTIS, Bandol, France. The Grass Is Greener John Crabtree's article on the economy of Chile (Special Financial Report on Latin America, Feb. 11) gives the place a very attractive appearance...

Asian-Americans Wake Up To Potential Political Clout

By William Wong

LOS ANGELES — Rolling Stone's usually cool and hip reputation underwent a sobering and publicly embarrassing transformation recently, and in the process the magazine learned about the power of the emerging Asian-American political community.

Whose Doctrine Fades?

Regarding 'The Brezhnev Foreign Policy Is Fading, Too' (Opinion, Feb. 20) by Robert A. Manning: By speculating that a possible Soviet pullout from Afghanistan might mean that Mikhail Gorbachev is revoking the Brezhnev Doctrine, Mr. Manning, along with other Western interpreters of Mr. Gorbachev's remarks, forgets that the Soviet leader has shown no intention of retreating from territories seized by the father of the Brezhnev Doctrine, Stalin.

EUROPEAN TOPICS

Czech Experts Assail Danube Dam Project

A plan to build a power plant on the Danube River south of Bratislava has come under unusual criticism in a Czechoslovak weekly. Hungarian and Austrian environmentalists have often objected to the project, but Czechoslovakia has rejected all criticism...



MISSILES GO HOME — East German kids gave Soviet soldiers a festive sendoff on Thursday in Bischofswerda near Dresden as the soldiers, with SS-12 missiles in tow, boarded a train bound for the Soviet Union. The missiles, in background, are slated for destruction.

find space so it can deal with the roughly 400 people who remain chronic drug addicts and petty offenders, he said. Around Europe Spain is in danger of becoming an extension of the African deserts, according to Spanish environmental groups. About 25 percent of the country — mostly in the southeast — is threatened by irreversible desertification...

EC Condemns Crackdown by Pretoria

By Barry James

PARIS — The European Community condemned South Africa on Thursday for effectively banning the political activity of anti-apartheid organizations and called on the government in Pretoria to lift the restrictions immediately.

groups, across the lines of color, politics and religion, is essential" to insure a peaceful solution in South Africa. The French Foreign Ministry said in a statement that the proscribed organizations had as their aim the removal of apartheid by peaceful means.

slap such severe restrictions on any type of opposition gathering," said Senator Nancy Landon Kassebaum of Kansas, the ranking Republican on the Senate Foreign Relations Committee's subcommittee on Africa.

ANC: Renewed Threat

among liberal whites within South Africa. According to government statistics, the number of ANC attacks in South Africa and cross-border infiltrations from neighboring states has declined sharply in the past year.

Colombia May Have to Strike a Deal With Drug Traffickers, Official Says

By Elaine Sciolino. WASHINGTON — Calling his country's war against drug traffickers totally useless, Attorney General Alfredo Gutiérrez Marquez of Colombia has declared that Bogotá might have to consider negotiating with drug barons and legalizing the cocaine trade.

an independent agency responsible for monitoring public administration. Even if he did not speak for the government, Mr. Gutiérrez appeared to be reflecting a growing sentiment in Colombia that the government is powerless to control drug trafficking.

The drug trade is largely characterized in Colombia as a U.S. problem because of the large American demand for cocaine. Two Colombian bishops recently suggested that the Roman Catholic Church could mediate in discussions between the government, leftist guerrillas and drug traffickers.

10 YEARS AGO

1938: No Sweeter Lip. SAN FRANCISCO — A man who had been in the city for 10 years was arrested for selling a book that was considered obscene.

Roh Takes Oath in Seoul in a Peaceful Transition

By Clyde Haberman
New York Times Service

SEOUL — Roh Tae Woo, who transformed himself from co-conspirator in a military coup to avowed champion of democracy, assumed the presidency Thursday in the first peaceful transfer of power in South Korea in four decades as an independent nation.

The transition was heralded by many South Koreans as a historic crossroads, but there were renewed street protests as well. Mr. Roh began his five-year term pledging to preside over "a great era for ordinary people through democratic reforms and national reconciliation."

He tempered his call for further democratic progress with a warning that his tolerance for violent dissent would be limited. "The day when freedoms and human rights could be slighted in the name of economic growth and national security has ended," he said in a speech at an inauguration ceremony held on a plaza in front of the National Assembly building.

The day when repressive forces and torturers in secret chambers were tolerated is over," he added. "At the same time, the day when confusion was irresponsibly created on the pretext of freedom and participation must also come to an end."

Later, Mr. Roh made the point more bluntly: "I do not want to be a president who pushes his fellow countrymen around. But I will not be one who is pushed around by mobs either."

Behind him on the inaugural stage sat the departing president, Chun Doo Hwan, a fellow former general who, with Mr. Roh at his side, led a military takeover of the government in 1980. Now, Mr. Chun presents himself as a democratic trailblazer by virtue of hav-



The South Korean president, Roh Tae Woo, left, and Chun Doo Hwan, his predecessor, waving to the crowd during the inauguration in Seoul. More than 25,000 people attended the ceremony.

Others Incite Palestinians, Reagan Says

By Susan F. Rasky
New York Times Service

WASHINGTON — President Ronald Reagan says the United States has had "intimations" that outside agitators were partly responsible for inciting the violent clashes between Palestinians and Israeli military forces in the occupied West Bank and the Gaza Strip.

Responding to questioning about the resignation this week of James H. Webb Jr., the secretary of the navy, who complained about what he said was a retreat from the 600-ship goal, Mr. Reagan criticized congressional cuts in his military budget.

From the very beginning, since I've been here, the Congress has cut my request for defense every time," he said. "It has been harmful."

Mr. Reagan declined to say what his decision would be on whether to certify that Panama was cracking down on drug traffic. The decision, affecting U.S. aid to Colombia, is required by March 1. He said his administration was "still working on that" and collecting facts on Panama's effort.

When asked if he would halt the prosecution of General Manuel Antonio Noriega, the Panamanian military leader, should the general step down, he declined to comment in view of the indictment of the general by two federal grand juries in Florida. "Nor have we made any advances or suggestion of that kind to the government of Panama," he said.

Gandhi Says India Has Own Missile

By Richard M. Weintraub
Washington Post Service

NEW DELHI — Prime Minister Rajiv Gandhi announced Thursday that India had successfully tested its own missile capable of carrying large warheads at least 150 miles.

development appears to give India a significant new military advantage over Pakistan. With a range of 150 miles (243 kilometers), the missile could reach much of Pakistan, including the cities of Lahore and Karachi.

The new weapon places India at a stage in tactical battlefield missile technology similar to that reached by the superpowers in the 1960s. While the NATO and Warsaw Pact countries now have missiles with far greater technological sophistication, no other countries, except for China, are believed to have developed a similar missile capability.

Mr. Gandhi said there "was no foreign collaboration" whatsoever in the development of the missile.

The development of the weapon raises the question of whether India now has the capability of delivering nuclear weapons by missile, should New Delhi decide to develop its nuclear weapons potential.

Military experts said that the relatively short range of the missile could make its use as a nuclear delivery vehicle dangerous. "You never know which way that stuff is going to blow," one said, referring to the fallout from a nuclear explosion.

FAT: Metabolism Causes Obesity

(Continued from Page 1)

Cambridge, England, and the Massachusetts Institute of Technology in Cambridge, Massachusetts. Dr. Roberts, who directed the infant study, added, "The general feeling is that these people eat too much pervades obesity research."

Dr. Ravussin's study focused on Pima Indians in Arizona, who are extremely likely to gain weight. By their early 20s, as much as 80 to 85 percent of the Pima population is obese. Dr. Ravussin said,

To study the relationship between calories burned and obesity, Dr. Ravussin and his colleagues measured how many calories 95 Pima Indian men and women, whose weights averaged 210 pounds (95.3 kilograms), burned in 24-hour periods. Since the Indians stayed in a small room during the measuring periods, the calories they burned had little to do with conscious exercise and were more related to involuntary or unconscious movements.

The researchers kept track of these subjects for two years. They found that those who later gained the most weight had, in the first test, burned only 80 calories fewer

a day than was normal for their body sizes. The subjects burned from 1,930 calories to 2,625 in the period. The scientists also measured 126 other subjects for the rates that they burned calories while at rest. After keeping track of these subjects for four years, Dr. Ravussin and his colleagues again found those with the lowest metabolic rates were most likely to gain weight.

In the other study, Dr. Roberts and her colleagues studied six babies born to thin women and 12 born to overweight women. When the babies were three months old and living at their homes, the researchers measured how many calories they burned over a seven-day period.

About half of the babies born to the obese mothers burned nearly 21 percent fewer calories than the other babies. The babies who burned the fewest calories were overweight by the time they were one year old, while those with higher metabolic rates were not.

Dr. Roberts said the babies who became obese ate no more than those who did not.

SWAGGART: Irreverent View

(Continued from Page 1)

prohibited in the Scriptures, but, then, neither is holding up a driveway through liquor store. Mr. Gorman said that he, too, is praying for Mr. Swaggart, even while he presses his appeal of the dismissal of his \$90 million defamation suit against Mr. Swaggart.

There was a strong feeling — and some hope — among those polled that more damaging, juicy details will soon come to light.

And, indeed, this is already beginning to happen. One Debra Murphree slithered forward Wednesday night to claim the title of the "known prostitute" photographed with Mr. Swaggart.

Ms. Murphree upheld Mr. Swaggart's claim that sexual intercourse — and therefore adultery — had not been achieved. She said she performed "pornographic acts" (for him in a \$13-an-hour room (not counting movies) at Tony's Motel and others in nearby New Orleans. "I wouldn't want him around my children," said the prostitute of the preacher.

Mr. Swaggart has written, knowledgeably, about the dangers of pornography, which, he said, "illitates and captivates the sickest of the sick and makes them slaves of their own consuming lusts."

"This story has been somewhat disappointing in terms of juicy details," remarked Mark Bilanski, noting that so far it falls short of the Jim and Tammy Faye Bakker debacle, replete with reports of hush money, matching Rolls Royces, a \$160 million religious theme park, the air-conditioned dog house, and photos of Ms. Hahn in Playboy magazine. "Not as good as Gary Hart either," he sniffed, signaling a more discriminating audience for sex scandal reportage.

But unlike so many others, Mr. Bilanski has not lost faith in the Swaggart episode: "The National Enquirer is probably down in its basement right now, checking out his past."

Mr. Swaggart's chief character witness so far has been Mickey Gilley, owner of a huge bar outside of Houston where literally acres of people can drink beer and ride mechanical bulls. He grew up in Ferriday with Mr. Swaggart.

Jakes's Speech Fails to Arouse Crowd

(Continued from Page 1)

PRAGUE — As a wet snowfall pelted Prague's old town square on Thursday, the new Communist leader, Milos Jakes, stood before a crowd assembled to celebrate the 40th anniversary of one-party rule and repeated his promise of "the restructuring of all spheres of social life."

The address, Mr. Jakes's most important public appearance since becoming party leader in December, was intended to crown a mass rally reminiscent of the demonstration that preceded the Communist coup of Feb. 25, 1948.

Yet, even as Mr. Jakes spoke, the audience of several thousand factory workers, military conscripts and party activists streamed out of the square, having remained only long enough to hear the national anthem.

By the time Mr. Jakes had finished, the quadrangle was more than half empty, and the gala anniversary celebration was cut short. Thirty minutes after arriving, Mr. Jakes, together with the president and former party leader, Gustav Husak, and the rest of the top Communist leadership filed off the podium unapplauded.

Church officials have announced that the Reverend Jim Rantz will substitute for Mr. Swaggart. Officials described him as similar to Mr. Swaggart in his liking for blackened redneck and for pacing on the pulpit, and different in that his hobbies are hunting and fishing.

SHULTZ: Secretary in Israel

(Continued from Page 1)

showed a streak of impatience that may become a theme of his talks. "I think it is essential that if we're going to do something," he said, "that we get on with it and do it at a rapid clip."

2 Protesters Are Killed
Alan Cowell of The New York Times reported from Jerusalem: Israeli soldiers shot to death two Palestinian demonstrators on Thursday and arrested 100 as protest and unrest continued in the occupied territories.

Palestinian stores and businesses closed in a general strike throughout the occupied West Bank and Gaza Strip in a display of opposition to the visit by Mr. Shultz.

FRANCE: Lack of Economic Options for Candidates

(Continued from Page 1)

cialist and center-right governments have pursued for the past five years.

Like Mr. Chirac and Mr. Barre, the French Socialists are talking of the need for "continuity." They do not envisage a return to the failed leftist program of expansion at virtually any price. Mr. Mitterrand ended during his first two years in office, beginning in 1981, and then abandoned in 1983.

Independent analysts are coming to the same conclusion: There is little or no room to maneuver — at least not by France alone.

The problem is that without complementary action by its trading partners, France cannot expand faster without pulling in imports and running into balance of payments difficulties.

The French current external balance is already likely to plunge from a surplus of \$2.9 billion in 1986 to a deficit of over \$5 billion this year, according to the Paris-based Organization for Economic Cooperation and Development.

The fault lies with a rapidly rising trade deficit, which grew from just under \$2 billion in 1986 to \$10 billion last year, when exports fell by 1 percent in volume.

French exports have been losing their share of world markets, and major new investments are required to reverse that trend.

But companies have been deterred from investing by uncertain demand prospects, both in France and worldwide, and by high domestic interest rates.

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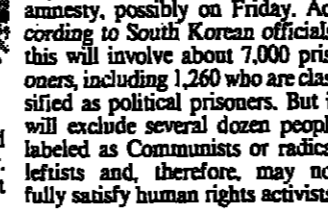
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Debra Murphree

He is also his cousin, and a good one too, telling reporters that Mr. Swaggart is so moral he wouldn't even go swimming in public.

Another of Mr. Swaggart's cousins who grew up with him in Ferriday is the rock'n'roll pianist Jerry Lee ("Great Balls of Fire") Lewis, a staunch family supporter who likes his cousins so much he married one when she was 13 years old.

The scandal is having repercussions in the presidential campaign, where the Reverend Pat Robertson (a former TV evangelist who was found to have altered his wedding date to conceal the fact that his son was born out of wedlock) is changing that the Swaggart revelations have been deliberately timed to hurt his campaign by reflecting badly on TV evangelists.

He strongly hinted that this may not be the work of the devil, but rather, George Bush. Most observers, however, believe it's just part of the continuing debt struggle for the religious-TV dollar.

Church officials have announced that the Reverend Jim Rantz will substitute for Mr. Swaggart. Officials described him as similar to Mr. Swaggart in his liking for blackened redneck and for pacing on the pulpit, and different in that his hobbies are hunting and fishing.

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Portugal: New Hopes, Old Dreams

IN THE NEWS

April 3: Censure Motion Fells Government

Prime Minister Anibal Cavaco Silva's 17-month-old minority government collapses after a censure motion is approved in Parliament by three leftist opposition parties. President Mario Soares returned from an official visit in Brazil to decide whether to form a new government or call an early election.

April 13: Macao Pact Signed in Beijing

China and Portugal sign an agreement that will bring to an end nearly 450 years of Portuguese rule over Macao, the oldest Western settlement in Asia. Under the agreement, signed by Prime Minister Cavaco Silva and his Chinese counterpart, Zhao Ziyang, Beijing will resume sovereignty over Macao on Dec. 20, 1999.

July 19: Social Democrats Win Parliamentary Majority

Following projections, the Social Democratic Party of Prime Minister Cavaco Silva emerges as the winner in Portugal's general election, with a majority of 146 seats in the 250-seat Assembly of the Republic. Elected for a four-year mandate, Mr. Cavaco Silva has pledged to step up his drive to re-vamp Portugal's economy by encouraging private economic growth and meet the challenge of the European Community, which the nation joined in 1986.

Dec. 14: Soares Heads Delegation to Madrid

President Soares heads a large delegation for a weeklong visit to Spain aimed at reinforcing commercial, cultural and political ties between the two countries. Spain is Portugal's second-largest client for exports behind West Germany and is moving to replace Britain as the leading investor in Portugal.

Feb. 3: Carlucci Discusses U.S. Base Pact

Frank C. Carlucci, the U.S. defense secretary, holds talks in Lisbon with Prime Minister Cavaco Silva, a day before Portugal is entitled to demand a review of the 1983 defense agreement renewing a lease on the U.S. air base in the Portuguese-owned Azores Islands. Frustrated by declining U.S. aid, Mr. Cavaco Silva has decided to seek a clear guarantee of increased and sustained payments for continued use of the Lajes air base. From the \$147 million in the 1987 fiscal year, aid to Portugal has declined to \$117 million for the '88 fiscal year.

Feb. 12: Region Benefits From EC Pact

Through an agreement reached by 12 EC leaders, the Common Market will double spending on aid programs for the community's poorer regions and impose new restraints on farm spending. Funding to the EC's poorer regions, which include Portugal, Greece and Ireland, will double by 1993 to nearly 15 billion European currency units (\$18.3 billion).

IN THIS REPORT

A Glass Act 9

Dynamic management and innovation are aiding glassmaking companies.

Plight of the Poor 9

While the country becomes more prosperous, life for the poor is little changed.

New Entrepreneurs 10

A new generation of suppliers is pursuing opportunities in financial services.



Farming Feats 8

As traditional agriculture gets a boost from the EC, young farmers turn to exotic produce.

A Mood of Optimism Is Tempered by Unrest

Strikes, socialist rumblings and a dip in the polls pose challenges to the government.

By Ken Pottinger

LISBON — A new mood of optimism is developing in Portugal, as the country adapts to the idea that the uncertainty and political instability of the past 13 years are over and that the current government, unlike its predecessors, may be in office long enough to deliver on long-standing promises of prosperity and progress.

Prime Minister Anibal Cavaco Silva, whose Social Democratic Party won a resounding parliamentary overall majority last July has so far pursued economic, foreign and strategic issues with determination.

The prevailing optimism, however, has been tempered by opposition to his economic belt-tightening. The prime minister's standing took a dip recently when opinion polls, coming just after a tax-increasing and credit-tightening 1988 budget, showed a 17 percent drop in his popularity. Close aides say that, taking a leaf out of British Prime Minister Margaret Thatcher's book, he is unwavering by the polls.

His policies also met with a wave of labor unrest in mid-February, mainly affecting transport around the capital. Both Communist-backed and moderate transport unions came out in support of wages above levels the government had imposed on public utilities as part of its bid to keep the lid on national inflation, which reached 9.4 percent in 1987.

The strikes were also linked to widespread labor concern about government plans to revise labor laws that are among the most inflexible in the European Community.

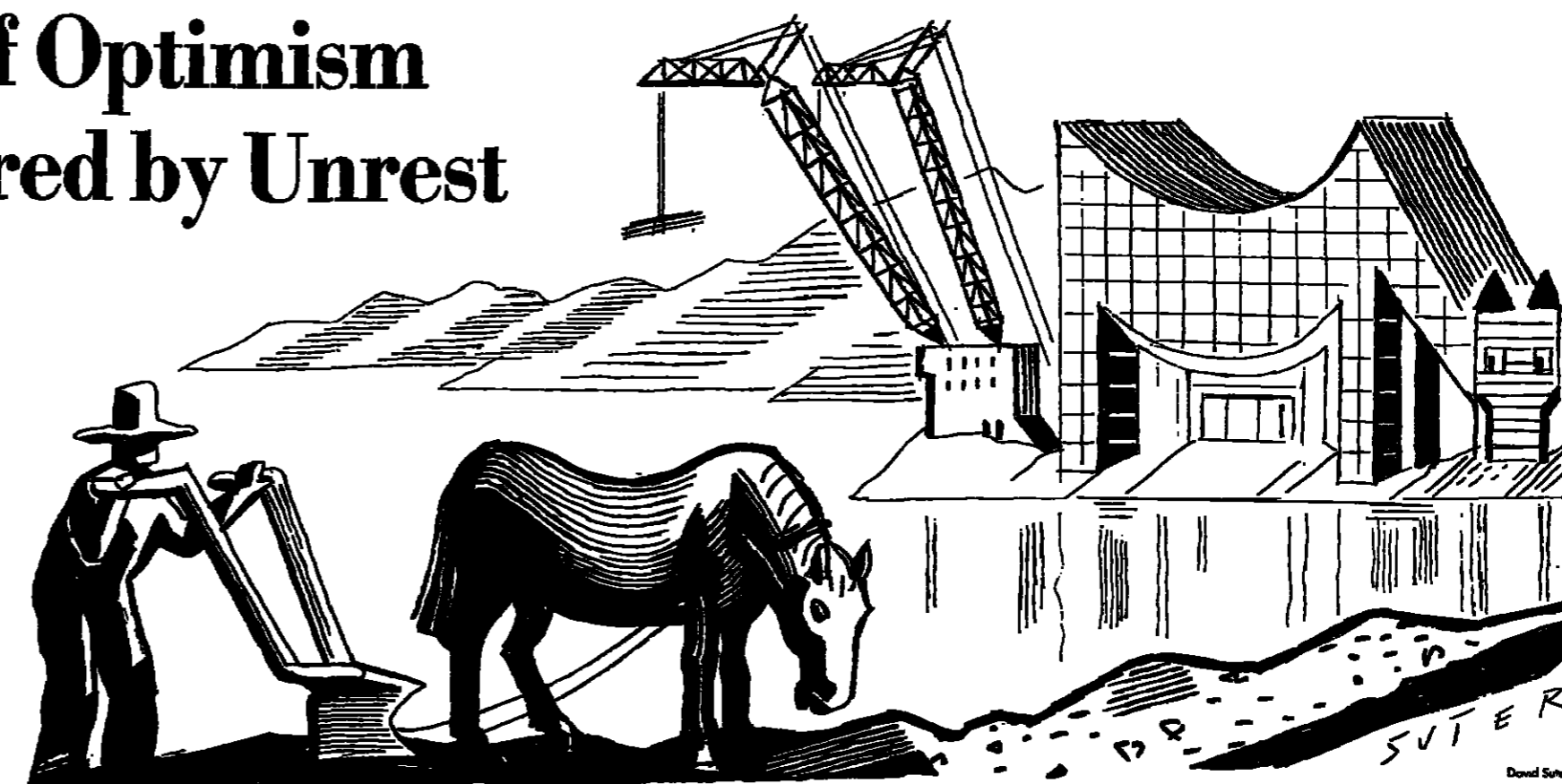
The government was forced into rethinking its labor law changes but its amendments did not pacify union leaders of either the Communist-backed General Confederation of Portuguese Workers (CGTP) or the generally moderate General Workers Union (UGT).

Faced with promises of tougher union intransigence, Deputy Prime Minister Eurico de Melo, who also holds the defense portfolio, said Tuesday, "We will not hesitate to resort to Thatcher-style policies to deal with labor unrest if necessary." His comment was taken as an indication that the government's patience was wearing thin and that a showdown might be in the offing.

On another front, the government appeared to be heading for problems when the main opposition Socialist Party, led by a former central bank governor, Vitor Constancio, announced Monday that its parliamentary support for a constitutional revision, would have to be carefully negotiated.

The revision, due later in the year, needs a two-thirds vote in the house to become law, and Prime Minister Cavaco Silva has made clear he is counting on the socialists to help him alter the Marxist-flavored charter.

The constitution, which commits Portugal to socialism, has put the brake on announced government plans to denationalize the 53 percent of the economy taken over in the wave of leftist revolutionary fervor that followed the 1974 coup.



Western-backed guerrilla opponents of Unita, the acronym for the National Union for the Total Independence of Angola.

Earlier, the foreign minister, João de Deus Pinheiro, had suggested that Lisbon might press for the accord to be turned into a treaty. He said it would have to be totally renegotiated because it was "outdated."

These unexpectedly harsh Portuguese positions reportedly caught the U.S. administration by surprise.

The North Atlantic Treaty Organization, of which Portugal is a member, had been rocked by Madrid's ousting of the American F-16 fighter squadron from the Torrejon base.

Booms and the Bolsas

For Stock Markets, Growth Brings Pain

LISBON — After a decade of neglect, Portugal's stock markets are suffering growing pains as they struggle to cope with an upsurge in business lured by the country's booming economy and new-found political stability.

Turnover on the Lisbon stock exchange, the Bolsa, rose sixfold last year to 190 billion escudos (\$1.357 billion) as companies were encouraged to go public, share-buying limits on institutions were lifted and investors rushed to cash in on the wave of financial confidence.

The smaller Oporto market put even that impressive increase to shame with a trading volume of 130 billion escudos, fully 14 times the 1986 figure.

Over the same period, the number of quoted companies in the Lisbon market alone jumped from 50 to 140 and trading reached such a fever pitch that even the strongly pro-business prime minister, Anibal Cavaco Silva, felt obliged to act as killjoy.

"Some of the prices bear no relation to the true worth of the companies," he said in October, and the immediate stall in prices turned into a headlong plunge two weeks later, when the world markets crashed on "Black Monday."

But the Portuguese exchanges, closed briefly after the 1974 leftist revolution and then virtually ignored for the next 10 years, still showed a healthy overall trend.

Although Lisbon's Banco Totta e Acores stock index is now hovering around half the pre-crash high of 6,800, it is almost three times the 1,200 level at the start of last year. The Oporto figures tell a similar story.

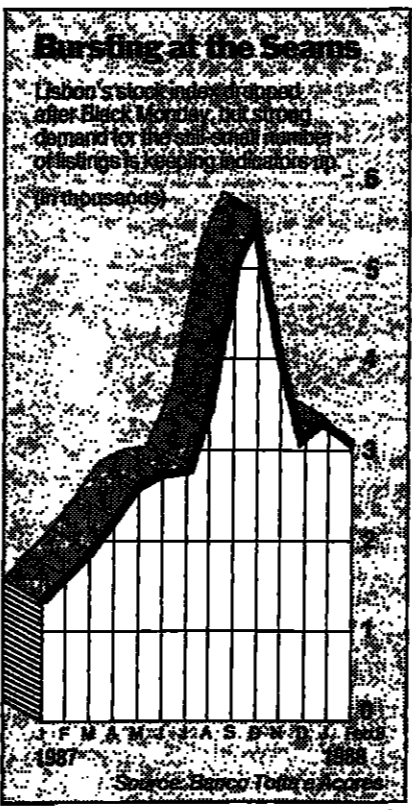
Increased public interest in the exchanges — the Portuguese are inveterate gamblers — is reflected in the media, with evening newspapers and peak-hour television now giving the latest stock prices and a daily market report.

"The exchanges are still a little unsettled, waiting to see how well the government performs," said Jaime d'Almeida, head of MDM, one of Lisbon's main investment firms. "But there is no doubting the potential of the Portuguese market."

Their limited size, antiquated dealing procedures and inexperience have ensured that the boom has not been without some painful side effects.

Time-consuming physical transactions of shares cannot keep up with turnover and delays grew so long last year that the Lisbon exchange was forced to close for a week to clear the backlog.

In addition, most of Portugal's big companies are still in state hands — another legacy of the revolution — and the minnows that currently comprise most of the quoted market offer nothing like the paper needed to match demand and help stabilize trading.



The exchanges, under strict government supervision, have also felt forced to tinker with market mechanisms in a bid to avoid wild price swings. A long-established daily price fluctuation limit of 5 percent was abolished shortly after the October crash and, not surprisingly, shares tumbled even faster.

The limit, now at 15 percent, was reimposed this month after the Finance Ministry and the exchange decided the market had found a more realistic level.

"There was a readjustment between the real economy and the financial markets... there is no lack of confidence," said Alvaro Damascos, the recently appointed president of the Lisbon Bolsa.

Justifying the limit, Finance Minister Miguel Cadilhe said it also helped prevent manipulation of share prices.

"Shares of a few companies changed 50 or 70 percent in a single day, mainly on orders to sell at the best price. This was bad for the exchanges," he said.

Such fine tuning, while protecting investors in a highly volatile market, has not pleased all the financial professionals, many of whom would like to see faster progress toward totally free markets.

"Instead of fiddling with the market, the government should be addressing basic prob-

Continued on page 8

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EC Agreement Eases Restraints on Farming

By Jill Jolliffe

EVORA—Prime Minister Anibal Cavaco Silva returned from the recent Common Market summit in Brussels with a full hand: an overall increase of available funds totaling \$3.6 billion for the next five years and a special agreement on agriculture.

Portugal's first victory had been at the earlier Copenhagen summit, in December, when the "specificity" of Portuguese agriculture was recognized, resulting in longer adjustment periods before the country's farmers must enter into full competition with their European counterparts. The prime minister drove this advantage home in Brussels, negotiating an agreement whereby the decisions of that meeting would not be applied to Portugal.

The privileged status under the renegotiated agreement means that Portugal will be exempt for the time being from restraints on production and will contribute only 30 percent of the costs of clearing EC farm surpluses. It was a bonus for the Social Democrat government, which the prime minister underlined at a homecoming press conference, describing it as "the event of greatest importance to Portuguese life" since EC accession in 1986.

Nowhere is the impact of this event more pronounced than in Evora. The profound process of change gripping this ancient agricultural city in the Alentejo region reflects Portugal's new-found modernity but also the end of the dream of land reform, which has sustained the district's agrarian radicals for so long.

The landowners still gather under the arches of the main Giraldo Square every Tuesday—previously there were two grand cafes where they did business, selling and buying livestock, cork and grain crops, and hiring and firing workers.

The fact that Evora is losing its character as an agricultural city and will, perhaps, eventually live from tourism or light industry, is not surprising. It was the scene of an agricultural experiment that failed, perhaps more in the political than in the technical sense.

Agriculturally, Portugal is three countries in one. North of the Tagus River, on which Lisbon is situated, the climate is moderate and the soil good. The system of land tenure is totally different from that of the south. Most farmers own their plots, which have become progressively smaller through the ages because of the Portuguese system of inheritance whereby all children inherit their parents' property equally.

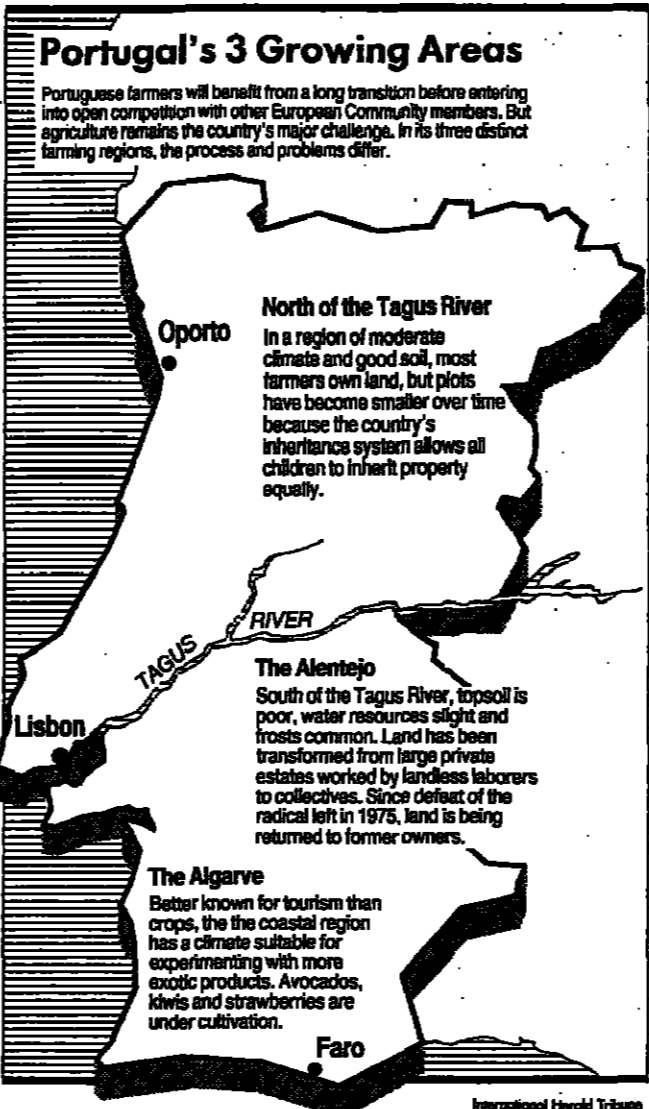
South of the Tagus, the Alentejo has poor top soil and water resources and is subject to destructive frosts in the winter. Here, the land has traditionally been divided into large private estates worked by landless laborers, whose clamor for access to the land was constant until the 1974 revolution, which promised "land to those who work it." Farmers occupied the estates and formed collectives, but when the radical left was defeated in Portugal in 1975, a slow process of returning land to former owners began. The present Social Democrat government has drafted a new law to complete the process: There is no room for collective farms in the EC.

The third agricultural area of Portugal is the Algarve, better known for its tourism than its crops. Its warm coastal climate makes it a suitable crucible for experiment in this period of post-agrarian reform and Common Market challenge. Tropical fruits are already grown on the Portuguese island of Madeira, but the Algarve is equally suited, and such crops are gaining currency. Enterprising young farmers are planting avocados and kiwi fruit, and have expanded areas in which strawberries are being grown.

When Portugal entered the EC in 1986, its specific agricultural problems were recognized by the EC. The country cannot provide half its own food needs, and produces at a cost that is two or three times above that of the average EC product. Twenty-three percent of Portugal's population work the land, compared with an EC average of 8 percent. It will benefit from an especially long transition period—in some sectors, a two-stage transition of five years each; in others, seven years before entering open competition with other EC members.

A revision of the community's Common Agricultural Policy since then means that priority will be given not to increasing production but to restraining it in areas of EC surpluses (such as dairy products) and to controlling prices. Small dairy producers will in some cases will be paid not to produce.

"Agriculture is by far the most difficult and important challenge facing Portugal within the EC," notes João Vale de Almeida, of the EC's information bureau in Lisbon.



One of the most hopeful aspects of this experience is the enthusiasm of young farmers, who have special access to EC funds. According to Mr. de Almeida, "Young people in their 20s who have inherited land are choosing to stay on it instead of going to the cities. In the past, their main problem was obtaining capital to modernize, and plant new crops. Now they are going in for tropical fruits

or are trying to modernize vineyards."

When Portugal emerges from its protective transitional cocoon around the turn of the century, these people will be the ones most likely to supply Europe with early spring strawberries and a sample of the excellent wines.

JILL JOLLIFFE is a journalist based in Lisbon.

Prospects for Growth Stir Property Market

By Peter Collis

LISBON—As Portugal settles into a period of economic expansion, the property market is responding with the first real growth in decades. Real estate prices are expected to double or triple in the next few years, but will remain low compared to similar properties in southern Europe.

"In some areas our prices are so far behind other European prices they could double several times over and still remain low," says Frederico Horta e Costa, head of Reali S.A., the representative in Portugal for Sotheby's International Realty.

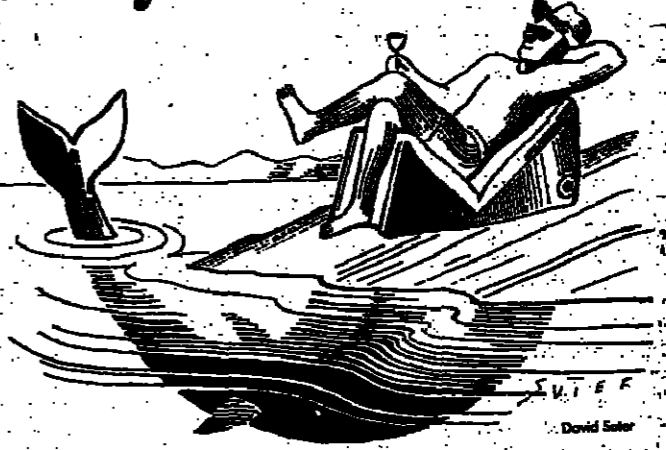
That doesn't include the retirement and vacation properties most sought after by foreigners. Prices on the Algarve, while not expensive compared to equivalent offers in France and Italy, tend to be higher than for comparative properties on the Spanish Mediterranean.

A three-bedroom villa with pool in the Algarve can cost upward from about \$113,000 in a reasonably up-market area near the coast, less if you go a few kilometers inland slightly off the beaten track. The price can increase sharply in the golf course and villa complexes like Vale do Lobo where villas begin at around \$139,000.

But away from the villa markets, the price advantage of Portuguese property starts to show. In Lisbon, top quality commercial office space can be bought for \$1,130 to \$1,475 a square meter, about one-tenth of London or Paris prices. On a luxury level, \$330,695 to \$522,000 will buy a palace or an old mansion within easy commuting distance of Lisbon.

"The market has enormous potential," said Mr. Horta e Costa. "Within the next five years we shall be seeing some of the most interesting property in Europe coming onto the market. People are beginning to see real estate as a profitable investment again, and this is going to stimulate people who have property to sell."

Mr. Horta e Costa, whose firm is one of the newest among the growing number of foreign-linked estate agents setting up in Lisbon, is planning, in fact, to specialize in palaces and mansions, of which there are an extraordinarily high number in Portugal.



"People's lifestyles are changing. They are moving out of the big mansions," he said, "but other people are actually looking for big houses to live in. It seems surprising, but even younger people are looking for mansions. It's a new lifestyle. We recently sold a palace to a young Portuguese man for \$988,600. It can still be done in Portugal, living in a place like that. You only have to consider that servants can cost as little as \$174 per month."

But as a real estate market Portugal is still pioneer territory, and agents' portfolios tend to be on the slim side.

"The market has been growing for two years and is going to go on growing," said Eric van Leuven of George Knight Ltd., a Lisbon real estate agency. "The potential is certainly there. The problem is getting it onto the market."

Portugal's inheritance laws are also an obstacle to mobility. Property is commonly inherited by all of the children in a family, not just by the eldest son, and getting a whole family to agree on a sales price can be a formidable problem.

"It can literally take years," said Mr. van Leuven. "You may have to get agreement from 15 or more people, many of whom are probably living abroad. And then, if it is just brothers and sisters you can consider yourself on clover. More often than not it can involve cousins, second cousins and so on, and then it can get really difficult."

Under the circumstances, the rarity of small conversion and development projects in downtown Lisbon is scarcely surprising. Some big ones have appeared, however, with some success.

Buyers quickly snapped up the floor space in the monumental and controversial Amoreiras shopping center, a residential

complex where developers started selling apartments with construction unfinished a couple of years ago.

In pricey Estoril, on the coast west of Lisbon, the Swedish developer Mercator, a subsidiary of J.M. Byggnads och Fastigheter AB are starting to turn ground for a luxury residential complex of the sort that realtors see as a profitable avenue for development in Portugal, where building costs at about \$320 per square meter can make luxury properties an extremely attractive investment.

In Mercator's Estoril project called Estoril Garden, well-heeled buyers will be able to enjoy their secluded and discreetly guarded comforts in apartments that start at about \$136,000 for a 75-square-meter (90-square-yard) studio.

A similarly luxurious residential complex near Almancil will soon be adding to the number of golf and villa complexes that constitute the up-market development on the Algarve coast.

Elsewhere on the Algarve, away from the fashionable beaches, \$99,000 will stretch a lot further. But as the Algarve agency Sargent and Sargent points out, there can be pitfalls involved in buying property below the \$100,000 level in the Algarve, principally because nonresident foreigners in Portugal may not acquire land property designated as "rústic" or agricultural with more than 5,000 square meters of land.

Foreign purchasers can apply for special authorization to acquire more than the 5,000 square-meter limit, but the land limitation remains a problem for people seeking properties away from urban centers.

PETER COLLIS is a journalist based in Lisbon.

Stock Markets Suffering From Growing Pains

Continued from page 7

lens such as the need for medium-term investors who will hold on to shares and not look at the daily fluctuations," said Helen de Castro, manager of Unifundo, one of Portugal's five mutual funds.

But Mr. Cavaco Silva's administration, with four years of power to look forward to, is confident that it is on the right track as Portugal begins to reap the benefits of the European Community. A massive denationalization

program is under way, a long and complicated process that should eventually lead to market quotations for far bigger companies and a more mature market as a result.

The economy is among the most buoyant of Western Europe, with annual growth of 5 percent in 1987 and an only slightly lower figure forecast for this year.

Inflation, which reached almost 30 percent in 1984, is now under control and down to single figures for the first time in 17 years. Such statistics do wonders for

domestic and foreign business confidence.

Institutional investment is mushrooming. Ten pension funds have been established since government authorization was granted late last year.

Lloyds, one of the longest-established foreign banks here, recently opened a \$40 million fund for foreign investors, who, in general, have shown most interest in the high-performing communications, wood and financial service sectors.

"The shares of firms like Marconi and the CISF investment company have been among the most sought-after," said Mr. d'Almeida, who estimated that foreign investors, mainly British, held about 20 percent of the shares traded.

The two exchanges, which have built up a healthy rivalry over the past two years, are also rushing to fully computerize their clearing systems, eliminating cumbersome physical transactions and eventu-

ally allowing continuous trading in blue-chip stock at least.

"The modernization is vital if the Portuguese economy is to start catching up with the rest of Europe," Mr. d'Almeida said. "It is this low economic base in comparison with other countries that attracts many investors, especially from abroad."

"They realize that Portugal could be one of the most lucrative markets over the next few years simply because it still has so much room to expand."

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Strides in Industry ■ Poverty's Grip

Industrial Centers Struggle to Overcome Past of Protectionism

By Peter Wise

MARINHA GRANDE, Portugal — Raul Ferreira is one of hundreds of struggling workers who have labored for more than a year without pay to help the bottle factories in this ancient glassmaking town survive competition from ultramodern foreign producers.

José Santos works less than a mile away as a director of a mold-making company that started 12 years ago with less than \$2,000 and has since grown into the largest corporation in the industry worldwide, with annual sales of more than \$20 million.

Both men identify the same reason for their widely differing circumstances: management. "A lack of far-sighted entrepreneurs has left this town decades behind, turning out bottles by hand that foreign companies produce far more cheaply in automated plants," said Mr. Ferreira, a skilled glass engraver and president of the National Glass Workers Union.

Mr. Santos attributes the success of his company, Iberomolde, to dynamic management employing the latest technology to give the export market exactly what it wants. "We have to bring potential clients here to see for themselves because they simply don't believe that companies using state-of-the-art computer-aided production exist in Portugal," he said.

What they may expect to see are the smoking chimneys and slow-moving production lines of Marinha Grande's glass factories, which illustrate the problems threatening the future of many companies as they are exposed to increasing competition from the rest of Europe after half a century of protection.

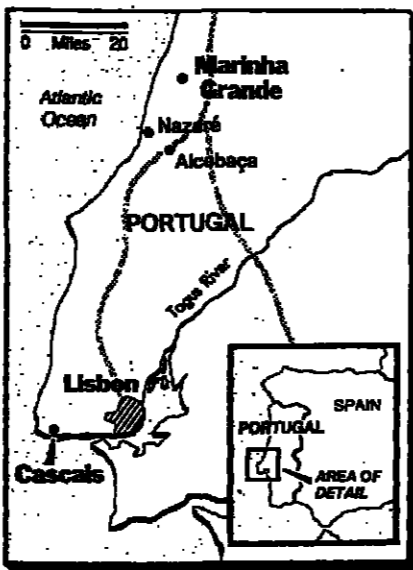
The crisis affecting this central town reached a climax in 1984, when 1,200 workers lost their jobs as their mainly state-owned companies proved unable to compete with cheaper foreign products and sales fell drastically amid a severe domestic recession.

A long-running labor dispute ensued until workers agreed to accept pay arrears of more than a year — still owed to many — and work more flexible hours as part of an accord to re-launch the sector and avert further layoffs.

Encouraged by the workers, more outward-looking managers are today turning away from bottles, which their manual plants cannot hope to make at prices that compete with foreign mass producers, and toward handcrafted decorative glassware. The success of Crisal, a company producing fine crystal in nearby Leiria, has shown that it can be achieved with progressive management.

Marinha Grande, like many of the country's industrial centers, is struggling to overcome a past of protectionism that has left many of Portugal's domestic industries highly vulnerable to the effects of European Community membership in 1986 and the approach of a single European market in 1992.

Before the 1974 revolution, a system known as "industrial conditionalism" meant that only



Map of Portugal showing Marinha Grande, Nazares, Alcobaca, Lisbon, and Cascais.

a limited number of companies were licensed to operate in each sector, with their production quotas fixed by the corporate state. Trade barriers protected them from foreign competition.

"Companies were making more than enough money to keep them happy," said Mr. Santos. "There was no competition, no incentive to innovate, to design better products, to find out what the market wanted, to develop skills or even to export." Breaking away from this immobile approach to business is one of the major challenges now facing Portuguese industry.

Consequently, most of the country's highly successful companies, particularly in the textile and footwear sectors, have gained their prowess selling abroad. Clinching export orders has forced them to research markets, make aggressive sales bids, develop new products, improve quality, adopt modern management principles and meet delivery times in a way that many companies producing for the home market are only just beginning to contemplate.

Iberomolde's business is more than 90 percent overseas and products have to meet the rigorous requirements of multinationals such as IBM, General Motors, Black & Decker, Grundig and Hasbro, the world's largest toy manufacturer.

Henrique Neto and Joaquim Menezes quit as general and production managers of Portugal's largest mold corporation, Anibal H. Abrantes, in 1975 to found Iberomolde as a sales company with no more than "a secretary, a telephone and a telex."

They were able to relish the extent of their success two years ago after buying out the Abrantes company in the latest of a series of acquisitions that has expanded the Iberomolde



Decanters from the Atlantis line at the Crisal shop in Cascais, above, and, below, a glassblower shaping a decanter.

group to 15 separate companies with 750 employees and a share capital in excess of \$10 million.

Working to the standards of top international corporations, the privately owned company has developed into an international pacesetter in the technologically sophisticated business of making molds for plastic products, attracting visits from Japanese universities and American researchers.

It has set up specialized marketing, sales, production and training divisions in an industry traditionally dominated by small all-round companies and invested heavily in a rapid transition from precision craftsmanship to computer-aided design and manufacturing.

What secrets of success can other Portuguese companies learn from Iberomolde as the lowering trade barriers makes the home market almost as competitive as exporting?

"People and outlook," said Mr. Santos. "Portugal has an extremely able work force and adequate technology. We now need to adopt a more forceful, entrepreneurial approach to business and train young people to fill a yawning gap at the middle levels of management and production technology."

PETER WISE is a journalist based in Lisbon.

Amid New Wealth, A Chronic Poverty

Most indicators suggest that the lot of the poor has changed very little since the 1974 revolution.

By Jill Jolliffe

LISBON — As dawn breaks over the Praça da Figueira in Lisbon, the light reveals small bodies huddled for warmth on the grids that blow hot air up from the subway system. These are the homeless children who live on Lisbon's streets, and the square is their main bedroom.

The weekly newspaper Tal e Qual recently traced a day in the lives of the street urchins. Some were runaways, others orphans. They lived from begging, averaging about 300 escudos (\$2.18) a day — enough for one good meal. Restaurants sometimes give them leftovers. They are known for their unruly raids on candy shops. Occasionally, they get small jobs at the waterside market, unloading fish.

Occasionally, the police round them up for a spell in reform school, but the children return. The most distressing recent development in their community is the spread of glue-sniffing. Dirty, often tiny, children weave around the streets and sometimes dart into traffic, their faces blank, the inevitable plastic bag with glue in their hands.

They are a reminder that, while Portugal is slowly becoming more prosperous, and seeing its first generation of yuppies, it is also the poorest country in the European Community. With an average per capita income of \$1,993, it trails Greece, the next poorest, with \$3,284. The figure for the richest country in the EC, West Germany, is \$12,049.

The most recent study on poverty, by a team led by Alfredo Broto da Costa, described 35 percent of Portuguese as living in "absolute" poverty. Most indicators suggest that the lot of the poor has changed very little since the 1974 revolution.

Tens of thousands of people in Lisbon live in shantytowns, *barros de lata*, more characteristic of Mexico City or Manila than of a European capital. There are also "clandestine" barrios, consisting of whole suburbs of concrete houses built by squatters.

The "Cambodian" bairro near Lisbon Airport is another variation. The district consists of prefabricated houses built by Lisbon authorities in the 1960s for people displaced by the building of the Tagus bridge. A quarter of a

century later, they are still there, and the bombed-out appearance of the buildings, which inspired the current name, provides the backdrop for a hard-drug culture that flourishes among the second generation.

The "Chinese" bairro, like "Cambodia," has no Asian connection, and no one knows the origin of the name. Officially, it is the Marquis of Abrantes estate, but this noble title mocks the reality. It consists of a thousand or so shanties of plywood and corrugated iron, often with plastic for windowpanes. Each household must fetch water from communal taps, and the traffic of water carriers evokes images of the Third World. Some householders illegally tap power lines; the neighborhood is crisscrossed with wires draped precariously from light poles.

In the "Chinese" bairro, there is no legal electricity, no hot water, no flush toilets and plenty of rats. Most of the shanty dwellers pay the Lisbon city council 50 or 100 escudos (36 or 72 cents) per month for "rental" of the land. It is Lisbon's oldest shantytown, established 50 years ago by northerners seeking work in the capital.

António da Silva, 75, a retired woodturner, has lived in the bairro for 42 years, and his children, grandchildren and two great-grandchildren grew up there. He and his wife have an income of 19,600 escudos (\$143) a month from their pensions, on which they support themselves and one grandchild. "We don't see much of EC benefits around here," he said.

His case demonstrates the vicious circle of poverty: Although he was a skilled tradesman, neither his daughters nor his grandchildren attained the educational skills that might have taken them out of the bairro. Education is nominally free, but many mothers keep their children home because they cannot afford transport fares or books, or because older children must care for younger ones while parents work.

Political instability since 1974 has perpetuated poverty: Short-lived governments have not been able to undertake long-term changes, although each of the 17 housing ministers since 1974 has promised to abolish shantytowns.

The prospects for a clean sweep are perceived as slightly improved today. The center-right Social Democratic is the first majority government in 14 years, elected for a full four-year term, and so has a greater chance of effecting structural reforms. In addition, some EC funds are geared to changes in infrastructure.

Urban areas are plagued by the most dramatically visible form of poverty, but the more chronic problem is in the countryside, especially in the north.

The national infant mortality rate is 17 per 1,000 live births, but in the northern city of Vila Real, it is 26 per 1,000 (by comparison, the national average in Britain is 10 per 1,000, Spain has a rate of 9 per 1,000 and Sweden 7 per 1,000, according to the World Health Organization).

Portugal has a reasonable number of doctors by world standards, with a national average of one for every 400 people, but in the north, there is one doctor for every 1,500 inhabitants.



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Opposition Parties Grope For Role in Changed Era

By Ken Pottinger

LISBON — The electoral surprise of last July 19, when Prime Minister Anibal Cavaco Silva's center-right Social Democratic Party (PSD) government won 146 out of the 250 legislature seats, has left the opposition groping for a role.

Political debate has cooled since the days when a succession of short-lived governments inspired passionate political divisions. Today, the government's numerically overwhelming strength can outvote the splintered four-party opposition with ease.

Opposition deputies are trying to adapt their horizons to four years on the back benches now that the prospect of bouncing from bench to cabinet office and back again, sometimes in a matter of weeks, has been interrupted.

Few observers thought that the PSD could mobilize enough cross-party voting to overcome the built-in brakes of a proportional representation and split-vote system specifically designed to favor multiparty coalitions above one-party majorities.

Now, the four opposition parties — Christian Democrats (CDS), center-left Socialists (PS), Communists (PCP) and the now insignificant Democratic Renewal Party (PRD) — no longer raise political temperatures.

The government, dominant in the Assembly where extra rooms had to be assigned to deal with the post-July influx of dozens of new PSD deputies, also has an impressive number of municipal authorities around the country.

According to results of the last local election, the PSD controls 135 of the 305 town halls in the country, which gives the governing

party 47 percent of the vote at grassroots organizational levels.

Their biggest rival is the Communist Party, which saw its stranglehold on the important Alentejo agricultural region badly shaken in the last election but continues to hold important bastions in the area.

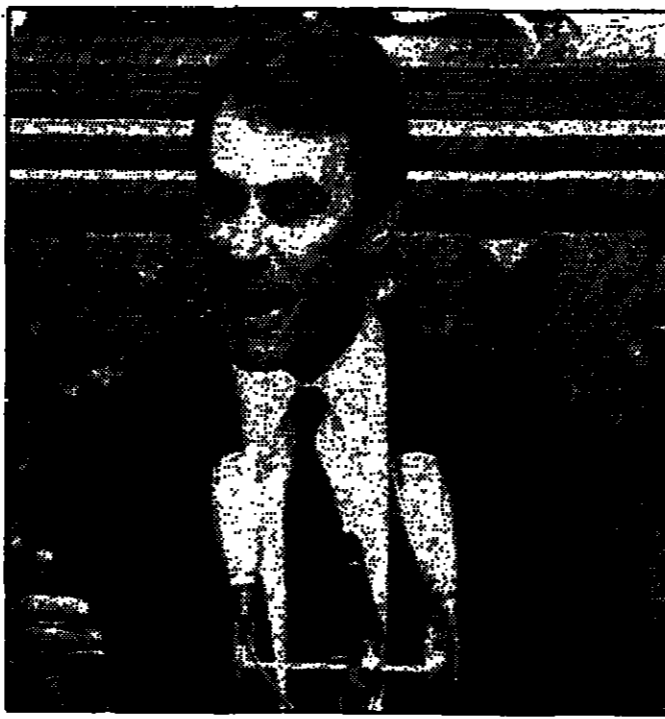
Young turks in the Communist Party have been lobbying forcefully for months to push the rigid and aging party leadership into following Moscow's liberalization lead. As a result, local newspapers have for the first time in more than a decade of democracy, been filled with deliberate leaks of secret PCP documents and deliberations, designed to embarrass the so-called "gang of five" — the main members of the party's politburo led by Alvaro Cunhal.

Mr. Cunhal himself, who reportedly views Moscow's *perestroika* with considerable reserve, has made two trips to the Soviet Union in the past four months without apparently returning fully convinced by the Soviet reform program.

The party, which saw its seats cut back to 31 from 38 in the election, is losing militants, cash contributions and support. It remains highly secretive, and spokesmen decline to comment on the internal strife wracking the PCP. But a recent party press statement referred to *perestroika* as "an option chosen by Moscow, but not necessarily applicable in other European Communist parties."

Mr. Cunhal has been circumspect in his commentaries about the new Soviet leadership and its reform program. He also made it clear last weekend that while he remained in charge, the PCP would continue with its long-established Stalinist line.

A current strike wave and



Anibal Cavaco Silva

spreading labor unrest is seen by some analysts here as continuing evidence of the PCP's strength and determination to hinder, at all costs, the government's liberalization and modernization efforts.

Some observers are also questioning the impact of the PSD ma-

majority on the democratic system. José Ribeiro Ferreira, a conservative political analyst, wrote recently: "The PSD's overall majority, rather than beneficial, risks dragging the country into a serious political, economic and moral crisis."

Entrepreneurs Make Inroads In World of Financial Services

LISBON — When he was growing up at a Roman Catholic seminary in Mozambique, Rui Teixeira Santos used to tell his teachers he wanted to be the pope.

"Not a cardinal, not, but the pope," he said in an interview.

His desire for fame now has pushed Mr. Santos, 27, into the limelight as the prototype of Portugal's new business breed.

Four years ago, Mr. Santos was a financial journalist earning 50,000 escudos (\$337) a month and riding a Vespa. Today, he is administrator of one of Portugal's largest portfolio management companies and recently bought the country's biggest department store chain, Briz e Braz.

Mr. Santos declines to discuss numbers when talking about his successes. In response to questions about his capital resources, he responds by noting that, a few months ago, "it was possible to be making 200 to 300 percent returns on the stock market."

His latest planned acquisition is three large central-city department stores, which, if successful,

would make him king of Portugal's department store trade.

Mr. Santos said: "The new entrepreneurs in this country are coming from my generation and are making inroads in the world of financial services. They want to make money quickly and are seizing opportunities provided by Portugal's rapidly developing economy. They are shaking off what I call *miserabilismo*, the long-ingrained national attitude that it is shameful to make money and worse to flaunt it."

Mr. Santos, while deriding the label "yuppie," is clearly becoming a model for those seeking such success.

He believes his generation is the natural heir to the current stock of managers and entrepreneurs, now in their 50s. "We have to overtake the 35- to 40-year-old group because they are incompetent and outdated," he says.

Mr. Santos is typical of his group, a class of well-educated college graduates, many from the elite Catholic University of Lisbon, which, according to a study published here, has rapidly ab-

sorbed the values of Europe's yuppie generation. They are now seeing the chances that have opened following Portugal's entry into the European Community.

Portugal's yuppies first made their appearance in the financial world, where new fortunes have been built in the past 15 months. This stemmed primarily from an unprecedented stock market boom, which saw the Bolsa index soar from 1,200 at the beginning of 1987 to 6,800 in mid-October before falling back after the Wall Street crash.

One personnel manager said head-hunting has become a growth industry.

Government departments most closely concerned with encouraging investment or promoting trade say they are aware that bureaucratic bottlenecks remain a problem for developing businesses. They say that reform of many outdated practices is being speeded by the impending 1992 deadline for full Portuguese integration into the EC.

Ken Pottinger

A Mood of Optimism Is Tempered by Labor Unrest

Continued from page 7

troia, said the election outcome confirmed his conviction that Portugal was now the best EC country in which to invest.

So far the government has been blessed with a large portion of luck. Its notable economic performance has been helped by external factors like a weakening dollar (much of the national debt is in dollars) and falling oil prices (Portugal imports 80 percent of its energy needs).

According to the National Sta-

tistics Institute, unemployment fell from 10 percent in 1986 to 8.5 percent in 1987, registering, next to Britain, one of the best performances in the EC.

Inflation has dropped sharply from highs of 30 percent in 1983 to 9.4 percent at the end of 1987. The 1988 budget forecast is for it to fall even further.

The planned growth rate for 1988 is 3.76 percent, which is one of the highest in the EC and designed to close a development gap with the rest of Europe. The gross domestic product for 1987 rose in volume by 4.5 percent over 1986, the biggest such rise in the 24-nation Organization for Economic Cooperation and Development.

Official figures show that direct foreign investment in the country tripled during 1987, reaching 61.7 billion escudos (\$460 million).

But if economic basics are now generally on a sound track, many fundamental reforms are still needed before full EC integration by the end of 1992.

Agriculture, the stubborn problem sector confronted by every administration since 1974, rigid labor laws, top-heavy bureaucracy

(50 percent of the annual budget goes to meeting salaries and wages in the public service) and a muddled educational system are priorities.

The 48-year-old prime minister, a former economics professor and author of a standard reference work on managing public debt, frequently asserts his commitment to the electoral platform that swept him to power.

But his biggest problem is persuading the country that changes cannot be made overnight and that the rhythm of change has to be adapted to a four-year time scale.

On Feb. 4, parliament passed laws permitting the sale of the government's stake in seven large daily newspapers and enabling the government to offer up to 49 percent of its holdings in public sector firms to the private market.

Full privatization will have to wait until a planned revision of the constitution is carried out later this year because the Marxist-inspired charter expressly forbids reversing the nationalizations.

Meanwhile, officials and bankers are worried about the pro-

longed financial bear market, which has set in since the Wall Street crash last October.

One government aide, who spoke on condition he not be identified, said that the government's privatization efforts would be severely hampered unless the country's stock markets regained buoyancy. But he was against government interference, saying the markets would have to revive by themselves.

In other areas, Mr. Cavaco Silva's government is tackling problems in bold, and controversial, ways.

In a bid to clamp down on tax evasion, widespread among the professionally self-employed, the government announced it would impose a value-added tax on lawyers, doctors and dentists, and would also start taxing the nation's revered and highly paid soccer stars.

Another reform near the top of the government's list concerns the rigid labor laws, which Mr. Cavaco Silva has pledged to relax, both to bring them into line with wider EC practice and to encourage investment.

When Labor Minister José Silva Penada first publicized his proposed reforms, there was a protest from both the Communist-backed CGTP union federation and the more moderate Socialist and Social Democratic UGT groupings.

On the other side, the employers' federations attacked the reforms as not radical enough.

Employers say the existing legislation virtually bans the dismissal of workers, hindering investment in technology and modernization and endangering companies by making it impossible to lay off people when markets contract.

The government's main reform proposal would consider shifts in economic and market conditions or changes in a company's structure as fair grounds for dismissal, a move condemned as too broad by the unions, which believe they open the way for large-scale layoffs.

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KEN POTTINGER, a journalist based in Lisbon, reports for the *Daily Telegraph of London*, the *Christian Science Monitor* and the *Canadian Broadcasting Commission*.

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Recent developments in the Portuguese economy

The predominant feature of recent developments in the Portuguese economy has been a strong growth of domestic demand which, however, by end-1987, started to show some signs of deceleration. This growth was accompanied by both a less marked recovery of output and an improvement in the labour market. The unemployment rate stood below 7 percent by end-1987, i.e. the lowest figure attained since 1976.

The inflation rate continued to slow down with the consumer price index growing 9.4 percent, on average, in 1987, the first one-digit inflation rate since 1973. Thus Portugal took advantage of the world disinflationary climate to bring down its inflation rate to figures closer to those prevailing in the European Community. Other forces behind this success were, on the one hand, the social concertation policy which was reflected in the agreements reached for moderate wage increases and, on the other hand, the non-accommodative role played by monetary policy.

On the external accounts front, there has been a large import growth which was offset by the dynamism of exports of goods and chiefly of tourism receipts and of unrequited transfers which afforded a new surplus on the Current Account in 1987, on the order of US\$600 million (nearly 2 percent of GDP).

The good results of the Current Account obtained in recent years have allowed for the maintenance of a policy geared to the external-debt repayment as of the 4th quarter of 1985. In 1986, repayments reached US\$2 billion.

In the course of the last three years, the Portuguese financial system has undergone deep changes. The process started in February 1984 with the opening of the banking system to domestic and foreign private capital and continued with the creation of new types of financial institutions and instruments.

As regards financial intermediaries, stress should be laid on investment and leasing companies, investment and pension funds, regional development companies, risk-capital companies and, within the context of new types of financial assets, Treasury bills, certificates of deposit and participation bonds.

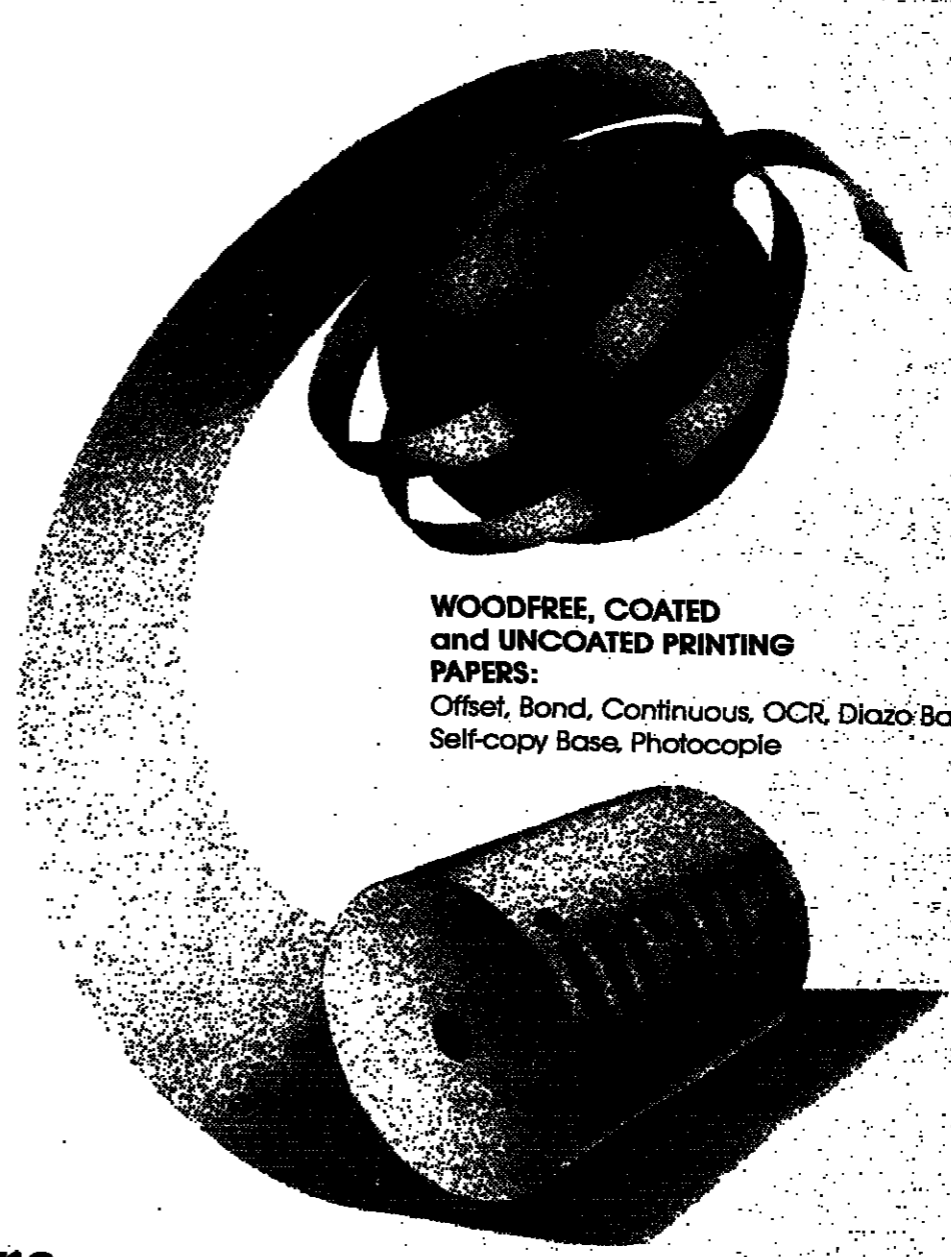
In the meantime, structural modifications were also introduced in the operational rules of the monetary and foreign-exchange markets with a view to endowing them with greater flexibility.

The development and increased flexibility of the financial system has allowed the corporate and public sectors to rely on the issue of securities as a source of financing. The nominal value of corporate securities tripled between 1986 and 1987.

The major economic policy objectives for 1988 are the steady growth of productive investment and the deceleration of private consumption consistent with a moderate increase in domestic demand. The 1988 State Budget provides for policy action to this end. Under a new agreement recently concluded with the Council for Social Agreement, it was decided that wage increases should continue to be moderate. One can thus predict a further reduction in the inflation rate, which is likely to hover around 6 percent in 1988.

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TRAVEL

- Hiking in Japan's Alps
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International Herald Tribune

TRAVELER'S CHOICE

Whale-Watching in Hawaii

Every year about this time, humpback whales finish their migration from their winter feeding grounds in the Aleutian Islands to Hawaii, where their calves are born. The whales have long brought animal lovers and environmentalists to the islands. They have also inspired an annual art festival, Maui Marine Art Expo, which runs until March 31 at the Maui Intercontinental Wailea Hotel on Maui. A portion of the proceeds from sale of the art will benefit the Cousteau Society, which has conducted research on the whales and even tracked some from Hawaii back to Alaska. The show includes more than 400 pieces — paintings, sculpture, lithographs, jewelry and other works — by artists from Hawaii, elsewhere in the United States and abroad. If they're lucky, visitors will be able to see whales from the hotel lawn or its restaurants.

Chip on Sphinx's Shoulder

A chunk of the celebrated Sphinx at Giza in Egypt has crashed to the ground and archaeologists say they are concerned that the entire right shoulder of the limestone monument is in danger of collapsing. The Sphinx, 4,600 years old, has been undergoing restorations since Egypt's New Kingdom, more than 3,000 years ago. More recently, about 80 percent of a restoration project begun four years ago has been completed, according to Egyptian archaeologists. The damage occurred a few weeks ago, after six days of sandstorms that battered the monument and the Giza pyramids nearby.

Dry Out With the Club Med

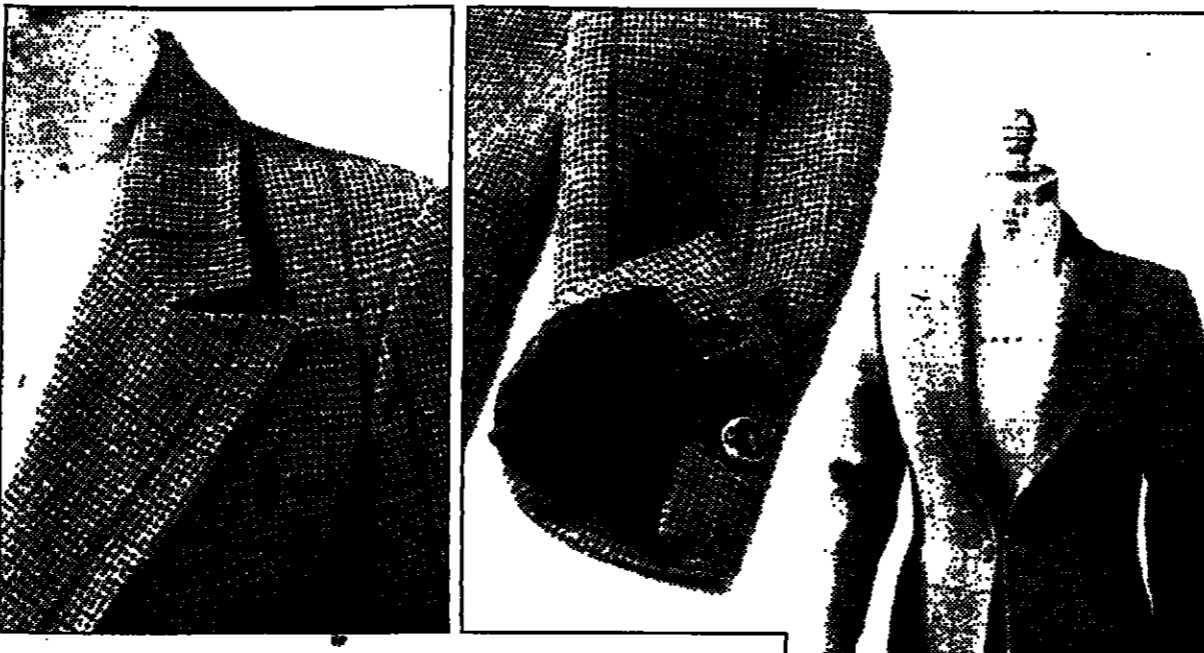
An alcohol-free week in Club Med's Ixtapa Village in Mexico is being offered in May. Sober Vacations International is scheduling the program for recovering alcoholics and their families. According to the group's president, Steve Abrams, the package includes the regular Club Med program plus regular meetings and workshops, with no alcohol available on the premises. "Ozone Rooms" are available at the College Vagabond Inn in San Diego, which has gone a step beyond the no-smoking room. The inn provides purified air in 10 of its 50 rooms for people sensitive to irritants such as pollen or perfume. The inn rents a machine from nearby Alvarado Hospital to clean the air, and housekeeping staff who enter the room are forbidden to wear any perfume, hair spray or fragrances.

Chester To Rebuild Amphitheater

The city of Chester in northern England is looking to its Roman past to help shape its future. City officials say that they will spend up to \$6 billion to reconstruct a Roman amphitheater that they bill as the largest such structure ever uncovered. Walls from Roman times form a two-mile walkway around the city. The amphitheater is partly excavated. The whole structure will be restored to its condition of 2,000 years ago.

The Art of Exploring America

In the early years of exploration and discovery of the New World, expeditions rarely included artists; pictures were made, when at all, in Europe. Two shows of rare "exploration art," including some of the first pictures of America seen in Europe, are currently on view in New York. A printed version of Columbus's letter to the Spanish court announcing the success of his first voyage is perhaps the rarest of the items in "Encountering the New World, 1493-1800: Rare Prints, Maps and Illustrated Books from the John Carter Brown Library," at the IBM Gallery of Science until April 9. The letter, of which the original is lost, is the oldest of 150 exhibits, and was printed and illustrated in Basel in 1493. Early mapmaking, as can be seen from this 1635 Dutch map of the East Coast of North America was not bound by rules of the compass. This Virginia appears to be to the north of New England. The Morgan Library meanwhile shows 200 watercolor reconstructions considered to be part of the highly realistic reconnaissance report made by one of the crew who sailed the Spanish Main with Sir Francis Drake during the period 1577 to 1587. The so-called Drake Manuscript depicts the flora and fauna of the West Indies and America, then Spanish territory, listing their respective benefits or dangers. There are also more than 40 drawings of the Indian inhabitants. Until May 1.



The jacket lapel, cuff and buttonhole, and the whole tweed suit. Below, a tailor working at Jimmy Chen's.



Ken Pottinger/Black Star

A Hong Kong Diary: Tailoring for Women

by Amanda Mayer Stinchecum

If you think having a suit made in Hong Kong, where the tourist association's booklet on shopping and restaurants lists 142 tailoring establishments, is easy, think again. At least, if you have visions of a beautifully made, perfectly fitting suit with the construction, fit and hand-sewn touches that come only with custom work. Maybe it's easier if you happen to be a man.

There are certain accepted standards for men's suits made in Hong Kong. There should be no question about the hand-stitched lapels or pad-stitching on the underside of the collar to give it that soft roll. Narrow cotton tape should be applied along the lapel seam and down the front of the jacket to keep it from stretching out of shape, and wool canvas (called hair canvas) used to give body to lapels, collar and shoulders. For women's suits there seem to be no general standards of workmanship. In general, ladies' tailors know how to fit jackets that hug the waist as well as expand at the appropriate spots, how to cut a variety of collars and front closings, and how to cut and fit a skirt.

Men's tailors, on the other hand, are used to making more or less bony jackets and trousers (not that the cut and fit are any less precise, just different) and are reluctant to take on a woman's suit because doing work they are unused to might damage their reputations if not done perfectly. Because I wanted all of the fine work that goes into a

man's custom-made suit, I decided to look for a man's tailor to make mine.

Monday

The first shop I visited was chosen from a guide that noted it was one of the few places in Hong Kong that still employed tailors from Shanghai. In two shopping bags I had dragged my four yards of heavy Scottish tweed, carried from the Highlands of Scotland to Brooklyn, from Brooklyn to Tokyo (where it sat in my closet for seven months) and from Tokyo to Hong Kong. Along with the tweed were matching silk thread and rough staghorn buttons from the village of Bonar Bridge in the county of Sutherland. I had also brought my most precious suit, probably 40 or 50 years old, to be copied as exactly as possible by the Hong Kong tailor of my choice.

In the heat of noon I pushed through the crowds jamming Nathan Road, Hong Kong's main shopping street. I went into a tailor's narrow shop, uneasily eyeing the photographs in the display window of the proprietor with Frank Sinatra, with Pat Boone and with Sammy Davis Jr.

A woman's blazer of red wool crepe hung on a steel rack by the door. The uneven machine stitching around the lapels caught my eye, then the underside of the lapel, both stiff and flimsy to the touch, suggesting the tailor had used a synthetic interfacing. The underside of the collar showed none of the rows of parallel pad-stitching needed to give the collar a perfect, soft roll. I turned to a half-finished man's jacket

hanging nearby. Before I had a chance to examine it properly, the proprietor announced, "That's not a lady's jacket," and hastened to put it out of my reach. I explained I was looking for someone who would give me the quality of tailoring found in a well-made man's suit, modeled on the suit I had brought with me. That was not possible, he said.

Tuesday

I called on one of Hong Kong's most esteemed tailoring establishments — A-Man Hing Cheong — in the Mandarin Hotel, where a salesman in an exquisite white-on-white tuxedo shirt said they did not do women's suits but graciously consented to take a look at mine. He inspected the jacket very carefully, pointing out that the shaping darts were not in the same places as in a man's jacket, that it was much more fitted, that they were not used to making skirts and did not think they could do justice to it. In short, sorry, no.

One more phone call led me to Jimmy Chen & Company on the mezzanine of the Mandarin Hotel. Although all their work is done in one workshop in Kowloon, there are Jimmy Chen shops in the Peninsula (one of which goes by the name Italian Tailors) and in the Hongkong Hotel. This turned out to be a considerable advantage, because I was able to have two of my fittings at the Peninsula when I had business on the Kowloon side. My young salesman, Danny Kon, assured me that both

New Drouant: Paris Regains A Landmark

PARIS—More than 100 years ago a young Alsatian, Charles Drouant, came to Paris to seek his fortune. He opened a little café-tabac, which because of its popularity soon grew into a bona fide bistro. Artists and writers, from Renoir to Rodin, Daudet to Pissarro, gathered there regularly, and soon Restau-

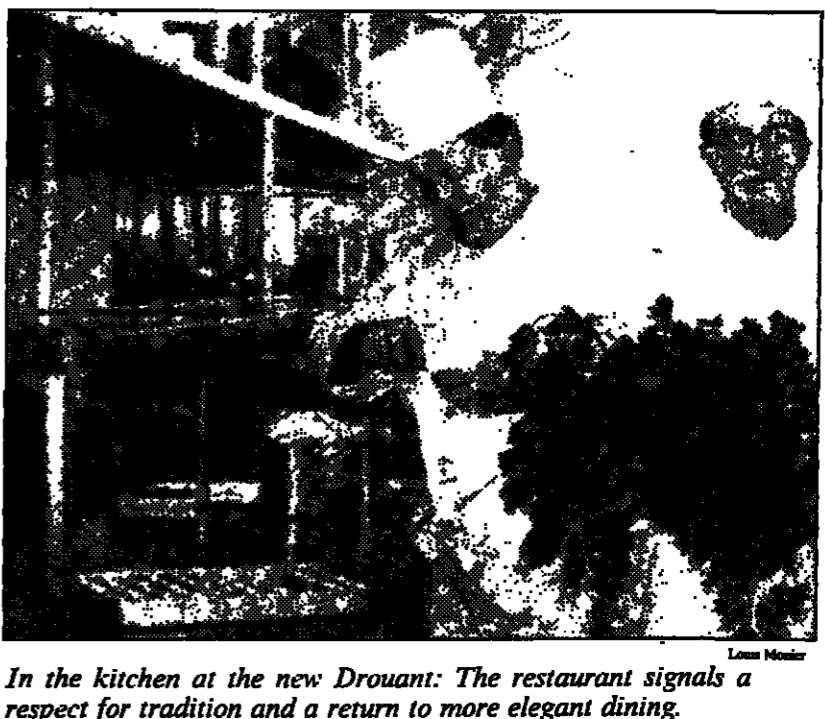
rant Drouant became one of the city's most popular dining spots, renowned for its seafood and fresh Breton oysters. It didn't take long before Paris's journalists, writers and artists — among them Monet and Toulouse-Lautrec — chose Drouant for their Friday luncheons.

By 1914 the restaurant enjoyed such a vogue that the members of the city's elite literary group, the Académie Goncourt, reserved a table at Drouant, from which they delivered the news of their annual literary prize. They liked Drouant so they decided to stay, and so it has been ever since.

The restaurant gradually expanded. In 1930, five years after the famous Exposition des Arts Décoratifs introduced a new style of decorative arts, Emile Ruhlmann was commissioned to add a touch of style and modernity to a refurbished Drouant. For the popular, casual, bistro-style Grill, he designed a fantasy ceiling of fish and shellfish swimming around in bas-relief. For the walls of the Grill and adjacent Restaurant, he created luminous wall murals in etched glass, playing out the marine theme with craftsmanlike excellence and hard-edged seriousness. For the restaurant's staircase, he designed an exquisite undulating brass-and-wrought-iron stair rail, embellishing it with reclining partners.

OVER the years, Drouant retained its position as headquarters for the city's literary elite, but soon lost its role as a gastronomic trendsetter. While it once held two Michelin stars, recent guides make no mention of the historic spot. A few months ago, after being closed a year for renovation, Drouant re-emerged, ready to take its place as a Parisian trendsetter. With its waiters elegantly outfitted in gray formal dress, and top-hatted valets at the door, the Drouant now signals a renewed respect for tradition and a slow but inevitable return to a more elegant, old-fashioned style of dining.

The Goncourt jury members are back, dining in their own private dining room on the first Tuesday of each month (where



In the kitchen at the new Drouant: The restaurant signals a respect for tradition and a return to more elegant dining.

Visiting California's Gold-Rush Country

by Robert Lindsey

ON a small, grassy hill overlooking the ruins of Chinese Camp, an old mining settlement, stands St. Francis Xavier Roman Catholic church. The tombstones in its graveyard bear the names of Irish and English immigrants who crossed the Atlantic in search of gold. But the most arresting monument to those who sought riches is the lush canopy of trees that covers much of the town.

They are called trees of heaven, and wherever Chinese immigrants went during the Gold Rush they planted these sharp-leaved trees as evidence that they had passed by.

Whenever one travels in California's gold country there are reminders of the men — and the few women — who, during a turbulent and brief span of time, crossed oceans and continents in search of wealth and, in so doing, helped create a state.

VISITORS can easily explore the gold country during a tour of northern California. Although the modern world has superimposed itself on the area, many old mining towns have survived, some boasting fine architectural relics of the Gold Rush, ranging from still-operating hotels and false-fronted general stores to Victorian mansions built with profits from the diggings. Museums and parks help bring the Gold Rush to life and everywhere, it seems, the region is haunted by memories of the 49ers.

A stream comes into view beside a meandering road, evoking visions of the men who once must have camped beside it in a tent city, trying to coax treasure from its waters. Nearby, a road

marker memorializes the discovery of a solid piece of gold weighing 195 pounds (88 kilograms), another points to a cabin where Mark Twain, a kind of Boswell of the Gold Rush, once lived.

In town after town, there is an Odd Fellows hall and a Mason's lodge — usually abandoned ruins with crumbling walls that are reminders that the miners, in what was virtually an all-male society, turned to these lodges for fraternity and made them the social centers of scores of mining camps.

In a restored theater in Nevada City, one easily imagines the voices of a well-known local resident, the singer-dancer Lola Montez, or her protégée, Lotta Crabtree, singing to cheering audiences of miners.

The Gold Rush began in January 1848, when a few flecks of gold were discovered not far north of Chinese Camp in the American River by a carpenter named James W. W. Marshall. Responding to reports that nuggets bigger than a man's fist were to be found, about 200,000 argonauts converged on the pine-covered western foothills of the High Sierra during the next decade.

The luckiest found glittering nuggets strewn like pebbles in the streams and rivers of the motherlode, where they had been transported and abandoned by nature.

When the easy pickings were gone, the 49ers filled their pouches with gold dust sifted from the sand and gravel of the streams by rocking it slowly in a pan and letting the heavy gold descend to the bottom; later, with American ingenuity, they channeled stream waters into wooden sluice-boxes that speeded up the process of separating the gold from the gravel.

Then they began digging, then tunneling into

the earth to pry gold from the white quartz rock that lay beneath the surface.

Only a minority of the first wave of miners — and many of the merchants and bankers and robber barons who also flocked to the gold fields — struck it rich. But, rich or poor, the 49ers left a more tangible legacy. No force was more important in the genesis of modern California than the Gold Rush.

Along with Spanish padres and soldiers who traveled north from Mexico to establish mission communities that were to grow into such cities as San Diego, Los Angeles and San Jose near the coast, the Gold Rush accelerated the colonization of California.

Propelled by the mystical allure of gold and visions of wealth, the 49ers leaptfrogged a continent, bypassing the middle of America, and established nearly 500 towns in the Sierra foothills. The gold they found — in 1852, the peak year of production, the Sierra foothills yielded \$81.3-million worth — helped build San Francisco and Sacramento and finance the state's early growth.

These days, fewer than 200 of the old mining towns survive, some no more corporeal than a signpost and a few scattered homes.

But many of the ghost towns are coming to life again as the gold country experiences a land rush. Urban refugees are settling in and around many of the old mining camps and creating a land boom of sorts.

In a sign of the times, one of the hottest political disputes in the gold country has involved the efforts of a mining company to reopen a mine near the town of Shingle Springs; a committee of homeowners, many of them recent emigrants from the cities, has vehemently resisted the project, contending that noise and dust from the mine would disturb the peace they had found in the area.

Despite such conflicts, memories of the Gold Rush still dominate the foothills of the western Sierras, a place for a leisurely drive broken perhaps by an overnight stay at one of the region's dozens of bed-and-breakfast inns. For visitors who have their fill of Gold Rush history, there are numerous antique stores to explore, and more than a dozen companies offering white-water river rafting expeditions.

California State Route 49 is a convenient path to follow, and Chinese Camp a good place to begin for those who approach the region from its southern end. (For visitors who want to enter the gold country from its northern end, Sacramento, a jumping-off place for many 49ers, is a good starting point.)

FOUNDED by English miners during the first months of the Gold Rush, Chinese Camp was home to some 5,000 Chinese workers during the scene of a violent confrontation between two rival gangs in 1856. Aside from the church built in 1855 and the trees of heaven,



California operates parks on the theme of the Gold Rush, notably in Coloma. Here, a tinsmith in the Coloma tinsmith shop.

Continued on page 13

TRAVEL

THE FREQUENT TRAVELER

EC Liberalization Package Stimulates Fare Flexibility

by Roger Collis

THERE'S lots of good news this year for business travelers who are fed up with being forced to pay outrageous prices for an unrestricted ticket on most short-haul routes in Europe. Independent airlines are challenging the monopolies of state-dominated carriers on some key business routes with low fares and fewer booking restrictions.

The best business class buy in Europe is with Transavia between Gatwick and Schiphol. The round trip of £180 is no cheaper than other airlines, but you get virtually long-haul comfort and service (2-2 configuration and 34-inch seat pitch). Transavia offers good value in the back of the plane. Choose from a round-trip economy of £122 (with no restrictions: the same as Eurobudget on KLM/BA with which you can change the return if you upgrade to £152).

Virgin Atlantic flies a one-class daily service between Luton and London. It has filed the one-way ticket to Dublin for £35 off-peak (£45 peak), compared with business class on Aer Lingus and British Airways (the only fully unrestricted fare available) of £96.

pay £105 one-way in business class. You can buy a point-to-point economy ticket for £85 one-way. Or else fly on a PEX fare (£86 round-trip with the usual Saturday night and other conditions) with either Bryon Airways or Eurocity Express from the new London City Airport. Both these airlines offer one-cabin business class service. (You can also fly Eurocity to Brussels in a similar way.)

This may be a forerunner of what one might expect from the EC liberalization package. It provides for competition by enabling governments to designate which airlines they want on trunk routes, and reduces capacity sharing to some extent. There's automatic approval for discount fares with no minimum stay requirements on off-peak flights (10 A.M.-4 P.M. and 9 P.M.-6 A.M.); the only conditions are advance purchase. None of this affects more liberal agreements, for example between Britain and the Netherlands and Belgium.

The latest airline to launch cheaper fares with fewer restrictions is the British charter carrier, Air Europe. It started a service between Gatwick and Munich on Dec. 17 and to Paris on Feb. 1. It plans services to Brussels (April 18), Geneva (July 1) and five more routes (possibly Brussels, Frankfurt, Zurich, Copenhagen and Rome) later this year or early in 1989. Air Europe has a one-class service with free drinks and hot meals. The round-trip fare to Munich (you only need stay one night and can change your booking) is £135. A comparable ticket with British Airways or Lufthansa costs £306. "On Paris we had to file the same fare as the other airlines" — £85 one-way — "but we have filed for an unrestricted one-way fare of £59," says Charles Powell, director of scheduled services at Air Europe in London. "I think what we're coming under to is a simpler system under which the one-way fare is low and therefore you don't even need a special round-trip fare. Our chairman said to a European Parliamentary committee the other day that we'd like to file a fare to Munich of £79 with no restrictions."

Cheju: Where No Man Walks Alone

In this island there is a Mountain of a vast Height all covered with woods and several small Hills which are naked, and enclose many Vales abounding in Rice...

Hendrick Hamel, 1668, from 'The Description of the Kingdom of Corea'

by Simon Winchester

CHEJU ISLAND, to which Hamel referred, is a vast volcano, the flanks peppered with fumaroles and lesser escape routes — now built into substantial hills themselves — from which steady streams of basal lavas once eased themselves down toward the sea.

The island summit is Korea's highest mountain, Halla-san — 6,397 feet (almost 2,000 meters) and at this time of the early spring, quite covered with snow. (British charts once named the peak Mount Auckland. The Royal Navy had brief imperial ambitions for Korea's southern coast, and annexed a tiny island now named Komun-do, and with rather absurd grandiloquence styled it Port Hamilton. Nowadays there are two enlisted men's graves there, the headstones roped off as a sanctuary, a memorial to a somewhat forlorn and uncommemrated colonial idea.)

I was far from fit, but a friend who had flown down from Seoul to guide me, a tough young Korean woman named Kim Mae-young, whose firmest friend in Seoul was, she said, one of the country's best-known rock climbers — gossiped me: To travel through Cheju without climbing Halla mountain would be an omission verging on sacrilege. I laced my climbing boots, she tied on a dainty pair of sneakers, and we set off. It was a crisp early spring day, and the woods behind the small Buddhist temple where the trail began were flecked with patches of melting snow. A thin stream trickled down beside the path, and in places it broadened, and on its sandy banks small birds picked twigs to build their new nests. Tiny yellow flowers, pale blue and primrose yellow, grew by the stream, and on the trees there were clumps of bright scarlet or amber lichens — all very Scandinavian, wintry, and starkly beautiful.

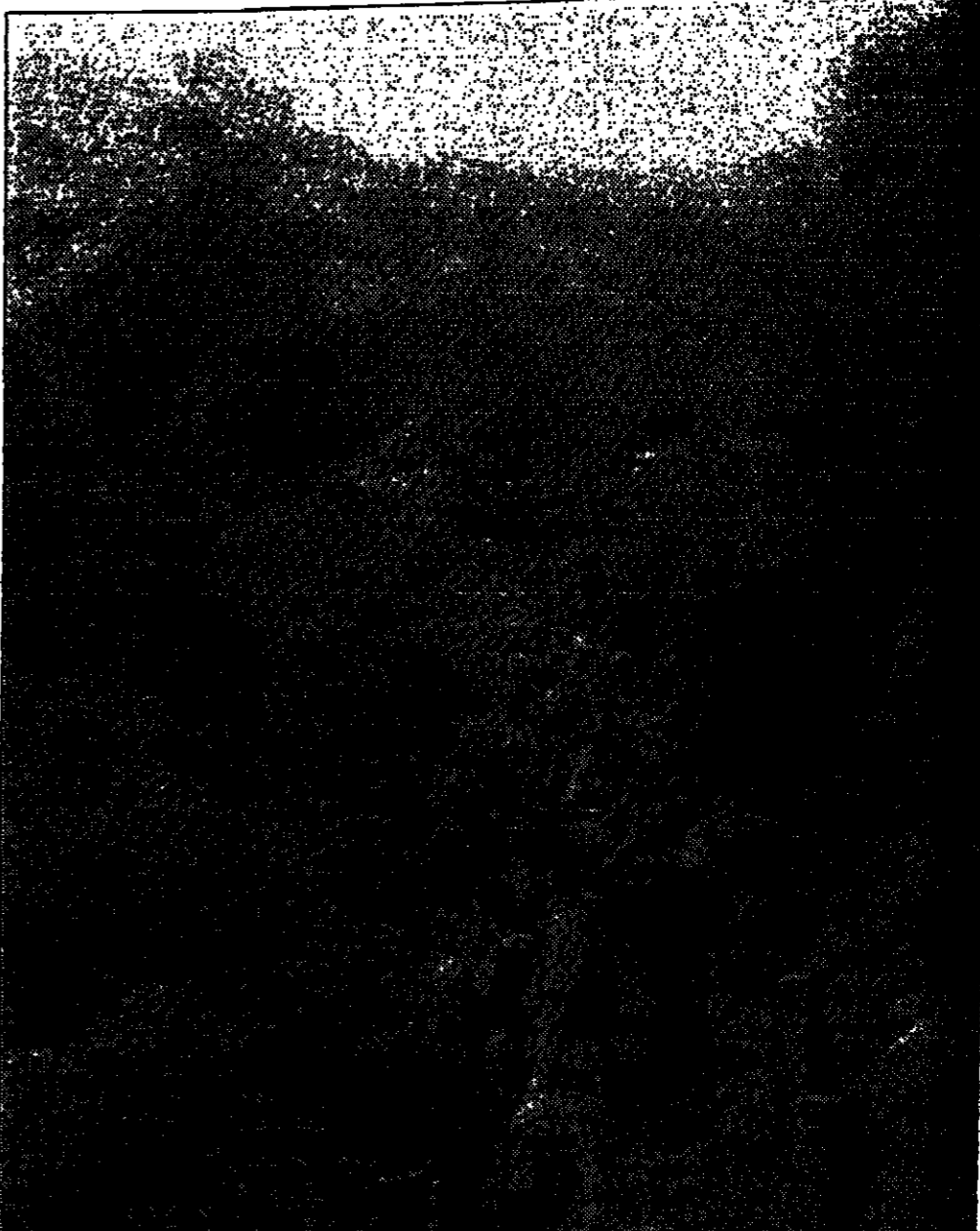
drink. The dipper had evidently been there for years: In Korea, no one would think of stealing it.

We rounded the plump bole of a tree, and there, sitting with solemn equanimity beside the trail, was an old man. He was dressed in a dark gray coat with a white blouse beneath and brown baggy trousers and white slippers. He wore a tall hat, slightly tapered towards the top, and with a wide, oddly transparent brim. His face was an almost perfect oval but with a straggling gray beard and a long mustache that reached well down the front of his tunic. His umbrella was open and standing next to him should the sun become too strong. He was smoking a cigarette in a contemplative sort of way and looked a vision of peace and contentment, though as we approached him he looked up, sat up straight, and beckoned to us.

HE was a fortune teller, so strategically located that it was quite impossible to pass him without buying a reading. He asked me two questions only — the date I was born and the time. I told him, whereupon he took an enormous chart from a pocket in his tunic and wrote with great untutored speed in Chinese characters. He frowned a lot, then smiled, put away his notes, and spoke in Korean. Mae-young interpreted. "This man says you are a writer, and you come from England. He could tell that from your voice, I suppose. He says you have written six books, and that you will write fifteen more, and you will be successful and happy. You will die when you are 88. Please give him 2,000 won. That is all."

I was astonished. Had she said anything to him? I wondered. She insisted not. Had she winked, given him any sort of clue? She swore she had not. She was as amazed as I was, for she knew that, in all he said about my past, he was exactly right. There was no vague dissembling, no catchall generalization. This man was sure — his entire attitude and demeanor radiated self-confidence and certitude — that I was a writer, and yet I carried no notebook, gave no hint that I might be anything other than a foreigner on his holidays. He had the number of books exactly correct. How on earth could he have known? "He knows," said Mae-young, and that was all she said on the subject. So we tramped on, with me beginning to wonder exactly what the next 14 books would be about, and whether it would be prudent to begin planning my funeral for some time after September in the year 2032.

After an hour the trees thinned out, and the mountainside became dominated by huge vaulting walls of dark brown basalt, with shrubs nesting in the fissures, and occasional clumps of hardy and stunted pines. It was cold up here, above 3,000 feet, and a thick air-frost had settled on everything, whitening the rocks, adorning branches with frosts of ghostly crystals, making the narrow paths treacherous. At one stage we inched our way along a tiny ledge, slick with new ice, and with a thousand-foot sheer drop between us and — I could just make out his hat — the old fortune teller in a clearing in the woods below. Logic and faith imbued me with the certainty that I would not, could not, fall: The old man had



A group of climbers on their way to the summit of Mount Halla.

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the peak would be doubly dangerous.

So we all set off back down again, some to the north of the island, and the hotels of Cheju city, while others, like Mae-young and I, retraced our steps back down to Sogwipo. Late lunch parties had sprung up on the hillside — gatherings of 10 and 15 people getting pleasantly tight on bottles of milk-white makkoli, the rolls, kimchi and rice, and packets of strong soup, which they heated in pots filled with melting snow. A small fire was glowing in a corner of the hut's living room, and we all sat close to it, huddling out of the cold winds that now blew rarely from the north, but with a thick bank of cloud suddenly descending over the main peak, which rose, jagged and formidable, a tempting few hundred feet above us. A frost-covered timber, clicking with expensive-looking ironmongery (which both the Korean and the Japanese will spend small fortunes on, just so that they achieve the correct look up a mountain) appeared from its slopes and made an announcement that set up a groan from the waiting throng: We were advised not to go further; it was going to snow, and

Simon Winchester is the author of 'Korea: A Walk Through the Land of Miracles,' to be published next month by Prentice Hall Press, from which this was excerpted for The New York Times.

Greece in the 1990's NEW TRADE AND INVESTMENT OPPORTUNITIES

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Panayiotis Panayiotou, Minister of National Economy
TRADE: NEW OUTLOOKS
Nicholas Athinaios, Minister of Trade
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Anastasio Papoulias, Minister of Industry
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Dimitris Tsoukalas, Minister of Finance
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John Grimes, Vice President, General Dynamics International Corp.
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Leonidas Kostas, President, The National Council of Free Enterprise and President, Food Industry Association
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Registration and Dinner
Andreas G. Papandreu, Prime Minister of Greece

REGISTRATION INFORMATION: The fee for the conference is \$250 for all participants registering from outside Greece. For those registering in Greece, the fee is Drachmas 50,000. The fee includes lunches, a dinner and conference documentation. Fees are payable in advance of the conference and will be returned in full for any cancellation that is postmarked on or before March 11. Cancellations after this date will be charged the full fee. Substitutions can be made at any time. The sponsors reserve the right to amend the program if necessary. CONFERENCE LOCATION: Hotel Athenaeum Intercontinental, 89-93 Syngrou Avenue GR11745 Athens Greece. Telephone (30 1) 90 23 686, Tlx: 221 554 ATHI GR. A limited number of rooms has been reserved for participants at preferential rates. CONFERENCE REGISTRATION FORM: Please return to either: International Herald Tribune, Conference Office, 63 Long Acre, London WC2E 9JH, Tel: (44-1) 579-4302, Tlx: 282008, Fax: 240 2254. American-Hellenic Chamber of Commerce, 17 Valaritou Street GR 10671 Athens Greece, Tel: (30 1) 36 18 385, Tlx: 223063, Fax: 3611070. Please enclose Check enclosed Please invoice. SURNAME, FIRST NAME, POSITION, COMPANY, ADDRESS, CITY/COUNTRY, TELEPHONE, TELEX, TELEFAX, COMPANY ACTIVITY.

Hong Kong Tailoring Continued from page 11

their men's and ladies' tailors (about 20 of the former and 25 of the latter) did fine work. Danny, as he is known to his customers, measured me carefully, examined my suit, the silk thread and staghorn buttons, expressing neither scorn nor surprise. We discussed the construction of buttonholes (I demanded bound buttonholes throughout, including real ones on the cuffs), the use of hair canvas interfacing, price (the suit cost \$192) and my next fitting (I had asked for three). A week would be plenty of time for the job. I asked about lining material and Danny showed me the inside of a man's jacket, a twill-faced fabric of 65 percent silk and 35 percent polyester.

Wednesday (The First Fitting) I met Danny and the cutter who was assigned to me at the Italian Tailors in the Peninsula. My suit, basted together with generous seam allowances to permit a looser fit if necessary, emerged from a gray plastic bag. When I put it on, it looked OK, but somehow it didn't knock me out. It was as if the cutter had taken my old jacket, hung it up on the wall across the room from his cutting table and said, "I'll make a jacket something like that," but hadn't bothered to be precise about the proportions. He had got the general idea right, but the jacket and sleeves were too long, the slash pocket was placed too high, the pocket itself was too large, the single buttonhole at the waist a bit high. Buttonholes and pockets were indicated by strips of white cloth, and would be cut when their final position had been decided on.

"I don't like these foam-rubber shoulder pads," I said. "You want wool? No problem," he said, but he should have known, I thought, from my obvious concern with workmanship and material. The skirt had, against my instructions, been cut in four gores. I suspected it had already been cut when Danny asked me about it on the phone. "But we can change it if you want," he insisted. In the end, however, I agreed with his judgment that, because the tweed was heavier than my old suit and the winduppane check quite large, the simpler and slightly narrower form was more suitable.

Friday (The Second Fitting) I went to the shop in the Mandarin at 9. The cutter was to stop by on his way to the workshop in Kowloon (he lived on the Hong Kong side). My suit was still only basted together. The foam rubber but nothing had been put in to replace them. "How can I see how the jacket hangs if there are no shoulder pads?" I gumbled. The cutter good-naturedly stuffed in a pair of wool and cotton pads. All the corrections I had requested had been basted in. I decided the tailor had been right after all about placement of the buttonholes. At the same time, I felt that if I didn't pay attention to every single detail I would end up with something quite different from what I had ordered. Danny brought out three strips of silk crepe in the range of colors I had suggested for the lining. "But this isn't the lining material you showed me," I began. "That was lining for a man's jacket," he said. "This is what we use for ladies' suits." "But I want the heavier lining. I expect this suit to last at least 30 years." Danny then laid my suit, which had been finished Monday, Perturbed, I asked, "But what about my third fitting?" If I hadn't asked, I wouldn't have had a third fitting. The next day I stopped by the Mandarin to see the lining swatches. He had brought the entire color card sent out by the fabric company. And of course the suit was in

the workshop, so I had nothing but my memory with which to compare colors. I couldn't very well compare. I had simply forgotten that I would need a piece of the tweed as well, and could easily have taken a snip the day before. Much to my relief, the choice I made turned out to blend well with the beige, brown, rust and lovat of the tweed.

Monday Evening (The Third Fitting) I was having dinner with friends staying at the Peninsula, so I met Danny and the cutter there. The seams were stitched, the shoulder pads in place, the top-stitching with my silk thread (which didn't show up much on the tweed) completed, and the skirt hemmed. It looked great. I had to admit, I couldn't wait to see it with the three hand-embroidered silk blouses I had bought for \$13 each, and my new custom-made shoes. "The sleeves are uneven," said Danny. "Another quarter of an inch on this one," he directed the cutter.

"I think I've gained weight since the last fitting," I said, which, in light of what I had eaten over the weekend, seemed entirely possible. Danny thought it was fine, it would stretch out a little, but I was worried. He could add a quarter of an inch on each side, just at the waist. An extra half inch should be plenty, we agreed. There were no other changes. "We'll deliver your suit late tonight," he assured me. We settled the bill and shook hands. I didn't get back to my room until 11:30. The suits and leftover tweed had been delivered. I went up to my room, hung up the two suits, packed my bag and set my alarm for 5:30. About half an hour after I went to bed, I realized I hadn't checked the buttonholes on the sleeves. Were they bound-through buttonholes? I turned on the light, opened my wardrobe and took out my new jacket. The buttonholes were fine.

Amanda Mayer, Stitches-in is Japan doing research on Japanese and Indian ikat textiles. She wrote this article for The New York Times.

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Paris Res... Continued from page 11... The menu includes... Paris Res...

Reaching Mo... in 1940

TRAVEL

Beyond Cities: A Hiking Trip in Japan

by Patricia A. Langan

JAPAN and megalopolis are synonymous in the minds of many travelers, but more travelers are discovering a Japan of mountain wilderness that is accessible to the adventurous visitor.

For four years he explored the Hida mountain range of Central Honshu in the Chubu region, which was to become Japan's premier hiking and climbing territory.

As a result of Weston's work, a new national pastime was born. By 1905 there were enough enthusiasts to form a Japan Alpine Club.

Occasionally a Western face appears from the other side of a backpack as hikers move into the park from Kamikochi.

The contrasts in food and shelter are vivid as one moves from cities to wilderness and back again.



Hikers in the spring on the way to Karasawa hut.

Spartan dining room with long tables and benches. It was lights out at 9:30 P.M. when the generator went off.

At 7 A.M. there were rainbows for breakfast, along with scrambled eggs, rice, soy sauce and tiny sheets of seaweed.

That night we packed up again for a morning departure to climb to the next hut, Karasawa, at 7,500 feet.

The weather was partly cloudy as we departed at 8 A.M. Two women elected to stay behind at the lower hut for some leisurely day hiking and reading.

cooked over a fire. We trooped through high, lush green grass and woods.

The day cleared as we began to climb, first on a path through heavily wooded slopes overlooking ravines and gorges.

Sprung on by the thought that all the beds might be filled, we reached the Karasawa hut by mid-afternoon.

The view was uplifting, but the news about accommodations was not. Contrary to our itinerary, we would stay in a ranger's shed.

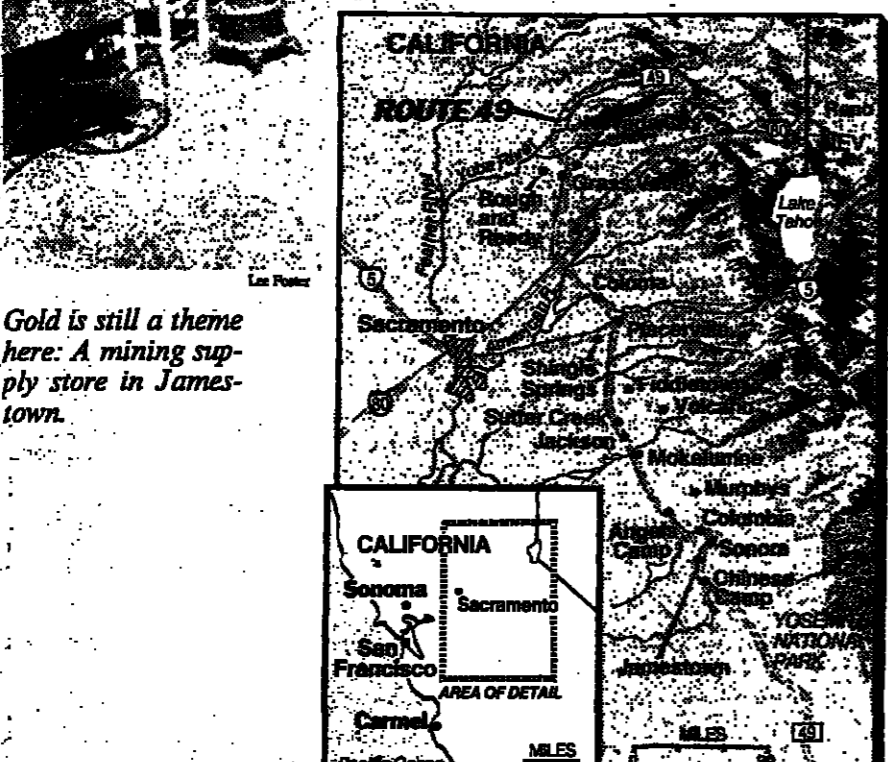
asawa hut with the photographers at long tables before a fire as Mozart tapes played softly in the background.

For two days the fascination of the mountain tableaux kept our minds off feasts and ofures.

Early in the afternoon of our last day in the mountains it was time to begin the descent back to the Tokusawa hut.

En route to our last mountain stop, the small city of Takayama, we were jolted back into contemporary Japan.

Patricia A. Langan, a reporter for Fortune magazine, wrote this for The New York Times.



Gold is still a theme here: A mining supply store in Jamestown.

Gold Rush Country

Continued from page 11

there remain part of a Wells Fargo express building, an old store and post office.

Heading north, Route 49 takes visitors past Jamestown, whose Main Street is lined with false-fronted Gold Rush-era buildings.

Not far away is the restored town of Columbia. During the 1850s, Columbia had 40 saloons, dozens of stores and scores of gambling halls.

Columbia, which bans automobiles from its streets, looks like every town that has ever appeared in a Western movie.

As Route 49 progresses northward, the scenery is marred by occasional unsightly housing developments and mobile home parks.

Paris Restaurant

Continued from page 11

and chocolate-rich puff pastry and a flavorful caramelized pear tart.

The sommelier, 32-year-old Jean-Michel Dehuc, is an equally good choice.

Among the good Bordeaux buys are the little-known and undervalued red Graves, Château La Louvière 1984, for 160 francs.

Jumping Frog of Calaveras County

have exploited frogs as much as the tourist industry in Salem, Massachusetts, has exploited witches.

But visitors are seldom far from such smaller towns as Volcano, Murphys, Mokelumne Hill, Rough and Ready, Fiddletown and Sutter Creek.

About 12 miles (19 kilometers) from Jackson on Highway 88, Volcano was founded in 1848 and quickly attracted a population of more than 3,000 miners.

As in many of the old mining towns, time and fires have ravaged Volcano, which once had 17 hotels and 35 saloons.

Besides Columbia, the state of California operates two other parks that help bring alive memories of the Gold Rush.

The Empire Mine State Park (tel: 916-273-8522) in Grass Valley, which produced six million ounces of gold between 1850 and 1956.

That night we stayed at a comfortable waterside ryokan at Kawaguchi, one of the five Fuji lakes.

HEAVY rain was falling the next morning for our travel day to the Alps.

A minibus, two trains and a caravan of taxis traveling through mountain tunnels and narrow roads brought us to Kamikochi by mid-afternoon.

It wasn't on the edge of a meadow dotted with camper's tents stowed a large wooden building.

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Alone
Mount Hida
Monday Event
The Third Fift

SPORTS / 1988 WINTER OLYMPICS

Tomba Wins Men's Giant Slalom, Soviets 1-2-3 in Cross-Country

Compiled by Our Staff From Dispatches
CALGARY, Alberta — Alberto Tomba of Italy backed up his boasts Thursday by careening to the biggest victory in an Olympic giant slalom in 16 years, and the Soviet Union swept all three medals in the women's 20-kilometer cross-country race.

Tomba, 21, who had predicted the victory, built up a huge margin on the morning run and seemed to ski more cautiously in the afternoon to protect his gold medal.

Hubert Strolz of Austria captured the silver medal, while Pirmin Zurbriggen of Switzerland claimed the bronze.

"I'm the best in the world and thank God I did it," said an exuberant Tomba, who finished his second run by skiing into the crowd to accept the congratulations of his fans.

He had a time of 1 minute, 03.91 seconds on the morning run and 1:02.46 on the afternoon run,

which was faster overall, to finish with a total of 2:06.37.

Strolz, who won the gold medal in the combined event last week, had an overall time of 2:07.41, while Zurbriggen, the winner in the downhill, was third in 2:08.39.

The 1.04-second difference between Tomba and Strolz was the largest winning margin in an Olympic giant slalom, for men or women, since Gustav Thoni of Italy posted a 1.13-second triumph in 1972.

Tamara Tikhonova of the Soviet Union won her third medal, with the gold in the women's 20-kilometer cross-country event. Anfissa Reztsova won the silver and Raisa Smetanina the bronze; the medals were the second for both women.

Tikhonova covered the longest distance in the women's program in 55 minutes, 53.6 seconds over the tough Canmore Nordic Center course that had a vertical climb of almost a half-mile.

Reztsova finished 19.2 seconds behind in 56:12.8, and Smetanina,

at 36 the oldest competitor among the 55 starters, completed the Soviet sweep, in 57:22.1.

It was the ninth Olympic medal for Smetanina, who is competing in her fourth Olympics. She has now won three gold, five silver and one bronze medal in her career. She was second to teammate Vida Ventens in the 10-kilometer cross-country race last week.

Tikhonova, 23, joined Finland's Marjo Matikainen as a cross-country triple medalist in these Games. The Soviet skier raced on the victorious Soviet 20-kilometer relay team and won a silver behind Matikainen in the 5-kilometer.

"From the beginning everything went just fine," Tikhonova said. "I had no problems. The skis were very good and it was almost easy. I never had any problems."

Matikainen was badly beaten Thursday, finishing almost three minutes behind Tikhonova and failing to crack the top 10. The defending world champion in the

20-kilometer event, Marie-Helene Westin of Sweden, also lagged badly, trailing Reztsova by 2 minutes, 45 seconds.

The victory was the fifth in seven men's and women's cross-country races for the Soviet Union.

With one event, the men's 50-kilometer event on Saturday, remaining on the schedule, the Soviet Union has already surpassed their showing in the 1984 Olympics at Sarajevo, Yugoslavia. The Soviet Union won only one gold and five medals overall in those Games. Smetanina won two silvers in the 1984 Games.

With the Finns, Swedes and Norwegians failing badly on Thursday, Christina Gilli-Brugger of Switzerland turned in the biggest surprise of the day by placing fourth in 57:37.4. It was the best finish ever by a Swiss woman in an individual Olympic cross-country event.

Tomba has been the skiing sensation of the season with victories in seven of the 12 World Cup events he has entered.

After the first run Thursday he left little doubt about his self-confidence. "I am skiing well," he said. "I can do as I wish."

Ivano Camozzi of Italy finished fourth and Rudolf Nierlich of Austria was fifth.

Ingemar Stenmark, 31, of Sweden, the skier with the most slalom victories of all time, had a poor morning run and did not compete in the afternoon. He was ranked 30th after the first run, in 1:08.49.

Stenmark — the winner of 45 giant slalom races, four times as many as any other racer in history — was making his first Olympic appearance since 1980. He was banned from the 1984 Games on grounds of professionalism.

All four Canadian competitors, along with as many as 15 other racers, were disqualified from the second run of the giant slalom for wearing ski suits that were not approved by the International Ski Federation.

None of the disqualified skiers figured to be a factor in the race, since none ranked higher than 33d after the first run. The entire team of Taiwan was also disqualified, as well as racers from Bolivia, Morocco, Lebanon, Mexico and Costa Rica.

The suits in question had not passed inspection for such factors as wind permeability and had not been plumed, or affixed, with the small lead seal that is attached to the leg. The suits apparently had been worn for the first time in Thursday's initial run of the giant slalom. Racers normally are not allowed to leave the start house without plumed suits.

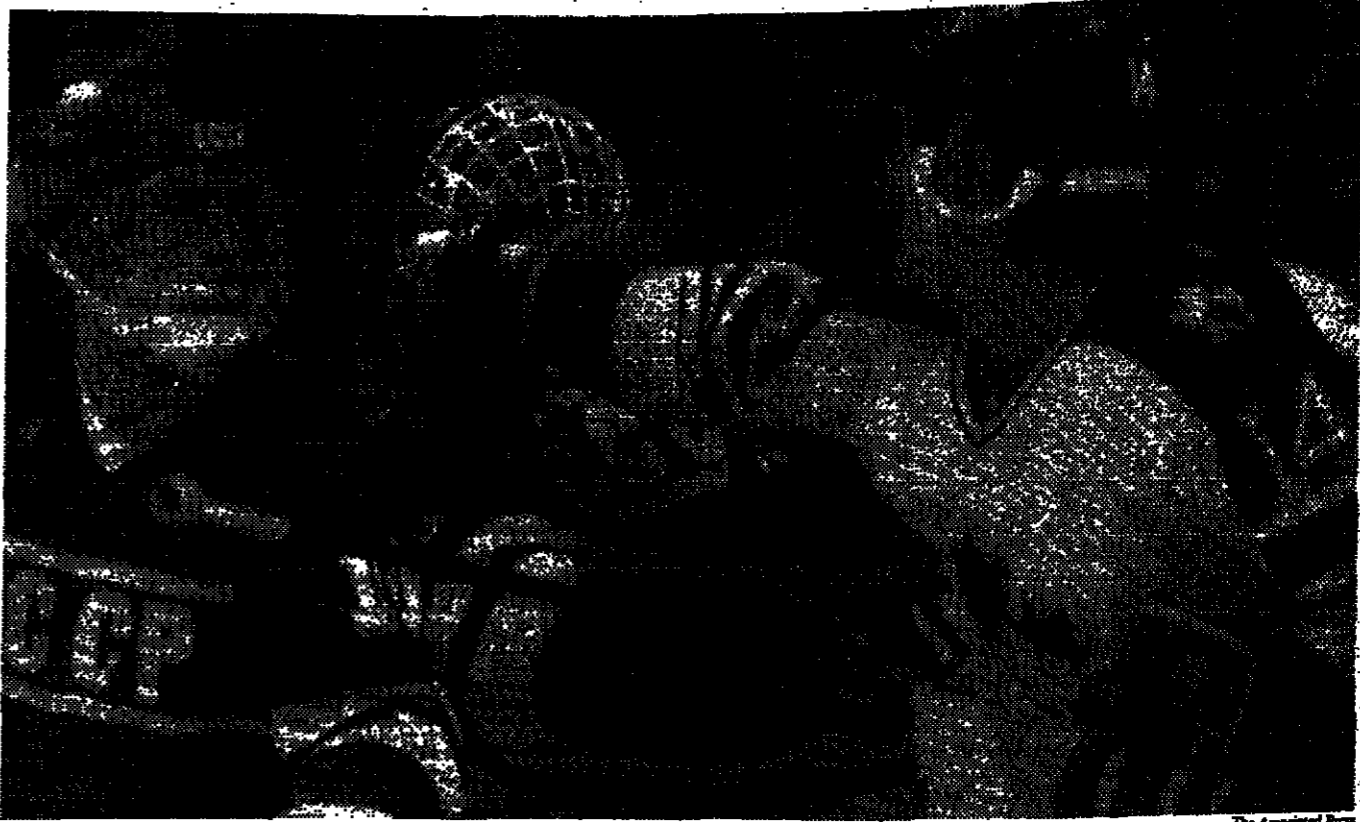
On Wednesday, Matti Nykanen soared to his third gold medal of the Winter Games, leading Finland to victory in the 90-meter team ski jumping event. His flights of 115 meters and 114.5 meters (378 feet and 376 feet) on a windless day gave him another spot in Olympic history with a ski jumping sweep.

He already was the first to win both the 90- and 70-meter jumps in the individual events in the same Games.

Nykanen, with his teammates, An Pekka Nikkila, Tuomo Ylipulli and Jari Puiukkonen, scored a total of 634.4 points.

The Yugoslavian team of Primoz Ulaga, Matjaz Zupan, Matjaz Delbec and Miran Tepec took the silver in the team event with 625.5 points; and Norway — Ole Fjeldhammer, Jon Kjorum, Ole Fjeldhammer, Erik Johnsen — got the bronze with 596.1 points.

Czechoslovakia placed fourth, followed by Austria, West Germany and Sweden.



A frustrated Marc Habschied of Canada lands a hard right to the Soviet goalie, Sergei Mylnikov, with Alexander Mogilny at left.

Soviets Shut Out Canadians, 5-0

Compiled by Our Staff From Dispatches
CALGARY, Alberta — The Canadians, who had long since abandoned hope of winning with marksmanship, tried defense Wednesday night to smother the best team in the Olympic hockey tournament. But the Soviet Union refused to be subdued and won, 5-0.

The victory extended the Soviet Union's winning streak to six games in a single Olympics, giving it unparalleled success here, and also tightened the team's grasp on a gold medal that would be its seventh in nine attempts. The Soviet team has scored 34 goals while permitting just 10 in the Winter Games.

Two lopsided games were played earlier Wednesday. Finland, which has had the strongest goaltending of the tournament, from Jarmo Myllys, crushed West Germany, 8-0. And Sweden defeated Czechoslovakia, 6-2, knocking it out of contention for a medal.

The last time the Soviet team lost at the Winter Games was Feb. 22, 1980, in Lake Placid, New York, when the U.S. team won on its journey to a gold medal.

Two days later, the Soviet Union beat Sweden, 9-2, to take the silver medal and begin a streak, still alive today, of 14 consecutive Olympic victories in which it has outscored opponents, 94-17.

The Soviets won the gold medal in 1984, their sixth in eight Olympics, and are favored to win it again.

The victory over Canada enabled the Soviet Union to retain the top position in the medal round with six points.

Finland, which has never won an Olympic hockey medal, now trails the Soviet Union with five points; Sweden, the current world champion, has four points. West Germany has two, Canada one and Czechoslovakia none.

There will be no gold for the Canadians. No silver, either. Wednesday night's loss did leave them with a chance, slim though it is, for bronze.

Coach Dave King's strategy against the Soviet team has been to frustrate its offense, but the formula began to show signs of strain Wednesday night.

To achieve two victories in the past three months after years of failure against the Soviet team, the Canadians had deviated themselves to a game of interference. If they could persistently ambush the fluid Soviet forwards, they could eventually frustrate them and cause a splintering of their momentum,



Finnish and West German players also shook it up in a pushing and shoving match along the boards.

which is overpowering when orchestrated en masse.

The Canadians did not, however, take much comfort in their two recent victories after watching the Soviet Union parade into the medal round undefeated.

Worried about losing his position should his team fail to recover its stature here, Viktor Tikhonov, the Soviet coach, prodded his players, as he had vowed to do in the months after Moscow's Izvestia Cup tournament.

Sean Burke, the Canadian goalie, made 36 saves to help his team beat the Soviet Union, 3-2, in the Izvestia Cup and was in goal again Wednesday night.

"The way they're playing comes as no surprise to me," he said before the game. "I don't think anybody on our team was fooled into believing the Russians were going into a descent because of last year."

The Canadians tried to be both stellar and disciplined. They defended off the Soviet players in the first period, when the teams were scoreless, and had three shots each at the midpoint, but by the middle of the second period, the Soviet Union had a 2-0 lead.

Canada created clutter in the slot, twice enveloped the Soviet power play with defense in the first period and managed some token

shots at Sergei Mylnikov, the Soviet goalie. But as the period wore on, play inexorably drifted into the Canada zone, and the Soviet Union struck.

The puck was jammed in from beside the left post by Sergei Yachin, who in the first period had been denied a wraparound attempt while being high-sticked by Jim Pleplinski. The goal, at 45 seconds, gave the Soviet players incentive to pester Burke further.

With the Soviets on a power play, Burke stopped Vyacheslav Bykov's wrist shot from the slot, but seconds later, Bykov turned up in the same spot and banked his shot off Burke's right leg and into the top of the net at 7:22.

After taking just three shots in the first half of the period, the Canadians tried to apply more pressure to Mylnikov, but he let nothing pass him, and that left Canada with a two-goal deficit going into the third period.

Canada's unproductive forwards faced a three-goal deficit when Alexander Mogilny's shot put the Soviet Union in front, 3-0, eight minutes into the third period. Then Vladimir Krutov added a fourth.

Thomas was in second place and Witt was in third after the first of the three-part figure skating competition.

That the Soviet skater led was not a surprise, because Ivanova has won the compulsory figures, with 30 percent of the total score, in the past three world championships, only to fall out of contention with the short and long programs. She finished fifth overall in the world championships last spring in Cincinnati.

While the compulsory portion is important for position and scoring, it is a long, laborious process that does not pit skaters against each other so much as against a geometric ideal.

The three school figures consist of variations of a figure eight that are selected by the nine judges in advance. Wednesday's figures were an inside counter, a backward paragraph bracket and a forward paragraph loop. Judges score them on line, flow, precision and accuracy, and while a perfect score is 6.0, rarely do they award marks higher than the low 4.0s.

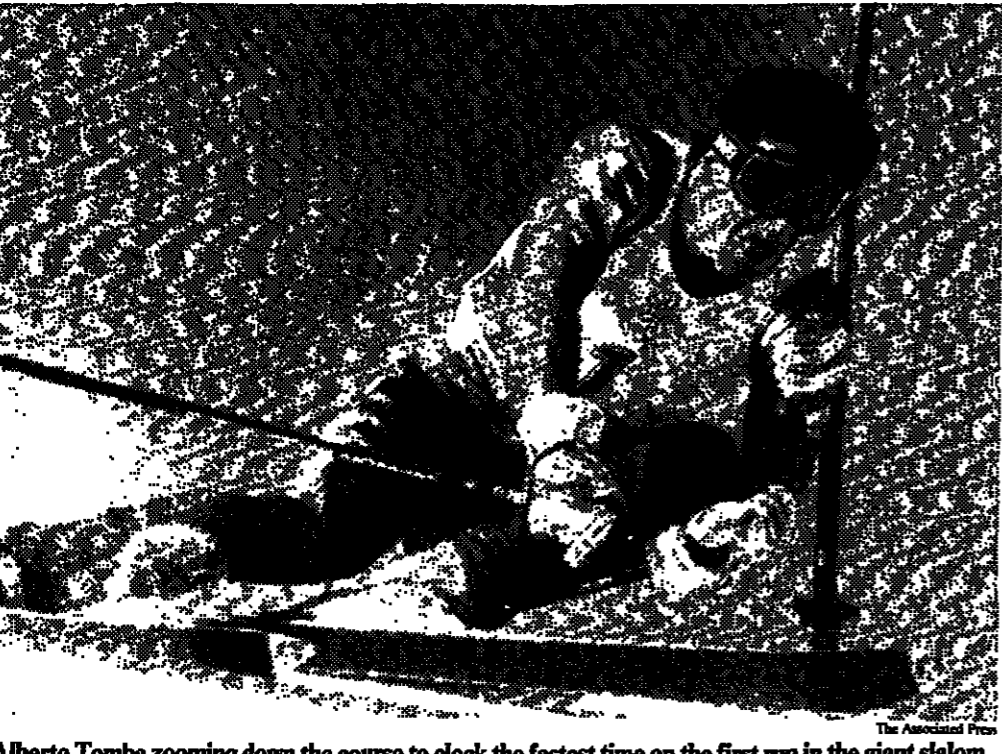
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"I think it's a good position for me," she said. "It's better than last year. I still have to give my best in the short and long programs."

Thomas had to recover from a poor first figure that left her fourth behind Ivanova, Witt and Caryn Kadavy of the United States. Second place did not bother her; she was in first place after the compulsories in 1987, but went on to lose to Witt.

Why not?" (NYT, AP)



Alberto Tomba zooming down the course to clock the fastest time on the first run in the giant slalom.

So Close to Gold: A Skier's Fall

Compiled by Our Staff From Dispatches
MOUNT ALLAN, Alberta — After blowing out the competition in the first run of the women's giant slalom, Spain's Blanca Fernandez-Ochoa thought she'd etched her name on the gold medal.

She even said so. "Esta mia!" she shouted to her fans. It's mine!

But it wasn't yet and it never was. The gold went to Switzerland's Vreni Schneider on Wednesday after Fernandez-Ochoa, skiing last of the 15 seeds, made a mistake on the second run and saw her title hopes disappear in a swirl of snow.

An almost perfect second run by Schneider had given Fernandez-Ochoa little leeway. But as she made her way down the longer, more twisting second run, Fernandez-Ochoa was fractionally inside Schneider's time and possibly headed for gold.

Then, in an instant, the Spaniard clattered into a gate pole, lost control and slithered 30 yards on her side past the next two gates and out of the race.

Schneider twisted down to defeat Christa Kinshofer-Guetlein of West Germany by nearly a second. Maria Walliser of Switzerland was

third to capture her second bronze medal of the Olympics.

Soon after the finish, the two skiers were being interviewed for television and stood about 30 feet apart.

Schneider called out, "Blanca!" then gave a look that said, "I'm sorry."

Fernandez-Ochoa, whose brother Francisco won Spain's only Winter Olympics medal when he took the gold in men's slalom at Sapporo, Japan, in 1972, replied with an expression that clearly meant, "That's how it goes."

"I was going for the win," a tearful Fernandez-Ochoa said, explaining that she went off the course when her boot scraped the snow and threw her off balance. "It is not possible to go down a slope slowly."

"My downfall was that I attacked it to win," Fernandez-Ochoa, whose aggressive style often has led to late mistakes in races she could have won, seems unable to attack a ski slope at anything less than top speed — even when the conditions may dictate otherwise.

Mount Allan, which was covered with soft man-made powder in the morning, turned treacherously slippery in the afternoon when tem-

peratures of 47 degrees melted some of the snow. It turned to ice as skiers passed over it.

Fernandez-Ochoa went for broke, and paid the penalty.

"Never before had I felt so close to a victory," Fernandez-Ochoa said. "I liked the snow, the steep and technical course. It was the race for me."

Francisco was at the finish line to comfort his younger sister. "You are the best, no doubt about it, you are the best," he mumbled as they exchanged tears and embraces.

"I still can't believe it," he said later. "She had the gold in her pocket and it slipped away. I dare say that the pain for her defeat today was a more overwhelming feeling than the joy for the title I won in Sapporo."

Schneider said she was sorry it took Fernandez-Ochoa's mistake to secure her victory. "I must have skied so well on the second run, but I was also lucky," she said. "I wish Blanca had finished."

Schneider, ranked No. 1 in the World Cup giant slalom standings this season, said, "Blanca deserved a medal here. But you know this is the law of sport." (AP, UPI)

OLYMPIC NOTEBOOK

■ The U.S. Olympic Committee has named a special commission to determine how well it had done and what direction it should take. The chairman is George Steinbrenner, principal owner of the New York Yankees and a member of the USOC's executive board representing the private sector.

Robert H. Helmick, a lawyer and president of the USOC, said Wednesday that the committee would perform a management review. Since Congress passed the Amateur Sports Act in 1978, said Helmick, the USOC's annual budget of \$14 million has increased to \$140 million.

"We want to make sure we are processing on the right path so that we can produce the best opportunities for our athletes at all levels," Helmick said. "The Olympic Games are more than just athletics," said Steinbrenner. "It's a matter of national and international pride. When basic philosophies or types of government come together in a competition, whether you want to admit it or not, there is a great deal of national pride irrespective of the different countries involved." (NYT)

■ The Chilean skier Hans-Dieter Linneberg was injured in a training accident while preparing for the men's giant slalom race, officials said. Linneberg, 20, was listed in fair but stable condition Thursday after undergoing surgery to repair a broken left leg.

He was taken by helicopter to a hospital near Calgary shortly after the accident, which occurred late Wednesday morning. A hospital official said he had not suffered internal injuries, as originally had been feared.

■ Frank Piccard of France, the super giant slalom champion and downhill bronze medalist, was ruled out of Thursday's men's giant slalom when he developed a severe bruise and swelling in his left thigh during training shortly before the race.

He was taken to a hospital for X-rays, and a decision on his participation in Saturday's slalom will be made later.

■ The Soviet delegation discounted defection rumors involving the five Soviet ski jumpers and Nordic combined skiers who did not compete or finish competition Tuesday. It said two athletes had returned home and the three others were still in Calgary. The Soviet team finished last on Tuesday in the

jumping part of the Nordic combined team competition. Andrei Doumdoukov took only two of his three jumps, Vassily Savine one and Allar Levandi none. They did not appear when their event ended Wednesday with cross-country skiing.

The Soviet delegation said Levandi was sick Tuesday, and it wanted to substitute another athlete. Event officials said such a substitution had to be made at least two hours before the competition. The discussion continued after the event began, and Doumdoukov and Savine jumped. When the Soviet officials lost their argument, they withdrew the two jumpers because the competition required three on each team.

Two other Soviet athletes — Mikhail Essine and Eduard Soubotch — were entered in Tuesday's 90-meter ski jumping. Neither competed. The event had been postponed twice because of high winds, and the two jumpers ranked low internationally, so the Soviet officials said, the two were sent home Monday on a prebooked flight. (NYT)

■ The high winds that forced postponements in so many skiing, bobsledding and luge events have resulted in \$1.1 million in ticket refunds. Refunds are offered if a postponed event cannot be rescheduled for the next day. (NYT)

■ Michela Figini, the 1984 Olympic downhill champion and current overall World Cup leader, said Wednesday that it was doubtful she would compete in the 1992 Winter Games. "Four more years is a very long way," the 21-year-old Swiss skier said after sliding off the course on the second run of the giant slalom. "It is 99 percent I probably will not, maybe one percent O.K. I leave a little hope." She won a silver medal in the super giant slalom Monday. (UPI)

■ Natalia Bestemanova, the gold medal winner in ice dancing, says she plans to leave Olympic competition to dance professionally. She told a Soviet television interviewer that she would join the ice ballet troupe run by her husband, Igor Bobrin. He is a figure skater himself, having won the European championship in 1981.

Bestemanova and her partner, Andrei Boukine, are three-time world champions. They picked up their latest gold medal in Calgary on Tuesday night. (AP)



Kira Ivanova tracing compulsory figures on the ice in the first part of the skating competition.

Soviet Skater Leads After Compulsories

By Sally Jenkins
Washington Post Service

CALGARY, Alberta — That figure skating confrontation between Debi Thomas of the United States and Katarina Witt of East Germany will have to wait. Both trail Kira Ivanova of the Soviet Union after the compulsory figures, held Wednesday over the course of an eight-hour day.

Thomas was in second place and Witt was in third after the first of the three-part figure skating competition.

That the Soviet skater led was not a surprise, because Ivanova has won the compulsory figures, with 30 percent of the total score, in the past three world championships, only to fall out of contention with the short and long programs. She finished fifth overall in the world championships last spring in Cincinnati.

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Thrill... OLYMPIC... NEWS... A vertical sidebar on the right side of the page containing various headlines, names, and small text fragments, likely from another page or a related publication.

JPL, CIA, ISD

SPORTS

Thrills, Chills and Chaos on Short Tracks

By Thomas Bonk
Los Angeles Times Service
CALGARY, Alberta — They wear helmets, arm pads, knee pads and skates. They travel in packs. They need the skates to stay ahead of everybody else. When they are behind, they need the helmets, arm pads and knee pads.

They called him Wilfred. Then he changed to short track speed skating. Now, he's Willie.
Short track skating is scary, fast and it may be an Olympic sport in 1992. Great Britain's team manager, Archie Marshall, hopes so.

"There are so many people out there and they're all grabbing, bumping and hitting each other. But that's part of the sport. The Olympic racing looks silly by comparison."
The best short track racers have to be tough. When — not if — they lose their balance and hit the padded boards, the sound of person meeting pads is similar to that of cannon being fired.



Willie O'Reilly of Britain sped toward a 1,000-meter victory, hotly pursued by Michel Daignault of Canada.

Sometimes, though, it even happens at the finish line. When O'Reilly set a world record in the 500-meter race, he raised his arms in triumph. He began his victory lap. Mario Vincent of Canada came up from behind to congratulate O'Reilly, but when Vincent grabbed him, they both fell to the ice and slammed into the padded wall. "It's like Grand Prix racing," O'Reilly said. And the captain has just returned on the seat belt sign.

OLYMPIC RESULTS

Table with 2 columns: Medal and Country. Lists medalists for various events including 500m, 1000m, and 1500m.

HOCKEY

Table with 2 columns: Team and Score. Lists results for various hockey matches including Finland vs. West Germany and Soviet Union vs. Canada.

FIGURE SKATING

- WOMEN'S THIRD COMPULSORY: 1. Lori Thomas, U.S., 4.0; 2. Kira Voznesenskaya, Soviet Union, 3.2; 3. Karolina Wit, East Germany, 2.8; 4. Jill Trenary, U.S., 2.5; 5. Elizabeth Manley, Canada, 2.1; 6. Joanne Conway, Britain, 1.8; 7. Claudie Laisner, West Germany, 1.7; 8. Heidi Johansson, Sweden, 1.6; 9. Carin Kostov, U.S., 1.0; 10. Marina Klomann, West Germany, 1.0; 11. Anja Casadei, France, 1.0; 12. Beatrice Gelmini, Italy, 1.0.

NORDIC COMBINED

- FINAL OVERALL: 1. West Germany (Thomas Müller, Hans-Peter Langer), 1:28:44.4; 2. Switzerland (Friedrich Glomski, Hans-Peter Langer), 1:28:44.4; 3. Austria (Hans-Joachim Schuster), 1:28:44.4; 4. East Germany (Manfred Schmid), 1:28:44.4; 5. West Germany (Manfred Schmid), 1:28:44.4; 6. Switzerland (Friedrich Glomski), 1:28:44.4; 7. Austria (Hans-Joachim Schuster), 1:28:44.4; 8. East Germany (Manfred Schmid), 1:28:44.4; 9. West Germany (Manfred Schmid), 1:28:44.4; 10. Switzerland (Friedrich Glomski), 1:28:44.4; 11. Austria (Hans-Joachim Schuster), 1:28:44.4; 12. East Germany (Manfred Schmid), 1:28:44.4; 13. West Germany (Manfred Schmid), 1:28:44.4; 14. Switzerland (Friedrich Glomski), 1:28:44.4; 15. Austria (Hans-Joachim Schuster), 1:28:44.4.

GIANT SLALOM

- MEN'S FINAL: 1. Alberto Tomba, Italy, 2:01.41 (1:05.65-1:05.76); 2. Herbert Strand, Austria, 2:01.41 (1:05.65-1:05.76); 3. Pirmin Zurbriggen, Switzerland, 2:01.41 (1:05.65-1:05.76); 4. Vence Camazzoli, Italy, 2:01.41 (1:05.65-1:05.76); 5. Rudolf Nierlich, Austria, 2:01.41 (1:05.65-1:05.76); 6. Andreas Wenzel, Liechtenstein, 2:01.41 (1:05.65-1:05.76); 7. Michael Mauer, Austria, 2:01.41 (1:05.65-1:05.76); 8. Markus Probst, Austria, 2:01.41 (1:05.65-1:05.76); 9. Ralf Petránek, West Germany, 2:01.41 (1:05.65-1:05.76); 10. Ralf Petránek, West Germany, 2:01.41 (1:05.65-1:05.76).

CROSS COUNTRY

- WOMEN'S 30-KILOMETER: 1. Tamara Tikhonova, Soviet Union, 59:34; 2. Anneliisa Tuomi, Soviet Union, 59:34; 3. Ralva Smetanina, Soviet Union, 59:34; 4. Christina Gill-Bruce, Switzerland, 59:34; 5. Silvana Gatto, East Germany, 59:34; 6. Anneliisa Tuomi, Soviet Union, 59:34; 7. Anneliisa Tuomi, Soviet Union, 59:34; 8. Anneliisa Tuomi, Soviet Union, 59:34; 9. Anneliisa Tuomi, Soviet Union, 59:34; 10. Anneliisa Tuomi, Soviet Union, 59:34; 11. Anneliisa Tuomi, Soviet Union, 59:34; 12. Anneliisa Tuomi, Soviet Union, 59:34; 13. Anneliisa Tuomi, Soviet Union, 59:34; 14. Anneliisa Tuomi, Soviet Union, 59:34; 15. Anneliisa Tuomi, Soviet Union, 59:34.

Cassini Track Debut Isn't in High Fashion

FREEHOLD, New Jersey — Famed fashion designer Oleg Cassini, 74, has made his professional harness racing debut — finishing dead last. Then he was dumped from the sulky during warmups for his second race.
The track doctor at Freehold Raceway ordered Cassini not to drive in his third and final race Wednesday because his blood pressure was too high. "I didn't agree with the doctor," Cassini said. "I should have raced. The track had given me a horse and I wanted to fulfill my commitment. But he's the boss so I will be back tomorrow."

Lawrence Bacchione, 70, of Bayville was more sympathetic. He said, "You have to give the guy credit for taking a chance. He's great for senior citizens. We bet on him."

In the fourth race, Cassini was warming up Sluggo when he went to the standardized on the backstretch and the 4-year-old gelding reared, breaking the shaft on the sulky and dumping Cassini onto the dirt.
Sluggo then ran the wrong way down the half-mile track and was corralled when driver Steve Oliva, standing at the side of the track, jumped a fence and brought the horse to a halt.
Sluggo was scratched from the race by the track judges. Cassini called the accident unfortunate. He said the horse was young and very nervous.
Cassini, who last year raced in several charity races, did well and decided to try his hand professionally, said he realized some of the other drivers did not respect him yet, but hoped that would change. "There are better horses and better post position," he said. "I love this track and the people. It's a great life."



Oleg Cassini: Dead last, and then dumped.

Bird Turns In a Vintage Game

N.C. State Charge Beats No. 5 Duke

Compiled by Our Staff From Dispatches
RALEIGH, North Carolina — Jim Valvano's 300th victory as a U.S. college basketball coach, like many before it, was a tense triumph in an important game in the Atlantic Coast Conference.
Valvano's 18th-ranked North Carolina State team, with Charles Shackelford scoring 23 points and Vinny Del Negro 16, rallied Wednesday night to beat No. 5 Duke, 89-78.
Del Negro got seven points and Shackelford six during a 13-0 burst that enabled the Wolfpack to overcome a four-point deficit in the final 3:40 minutes.
North Carolina State, 19-6 overall and 7-4 in the ACC, dropped Duke out of first place in the league. The Blue Devils, 20-4 and 8-3, are now one game behind North Carolina with three games left.
"I'm probably most proud of Charles Shackelford for the way he hit the free throws at the end," Valvano said. "He just stepped up and knocked them down. You realize if we don't hit those, they're back in the game very easily."
With Duke ahead, 74-70, Del Negro began the Wolfpack run with a three-point shot and Shackelford made a hook shot and two

44 Points Rally Celtics to Victory

Compiled by Our Staff From Dispatches
BOSTON — Age and too many hard-fought games may be finally catching up with the Boston Celtics — almost every game, one or more of the veterans is out resting an aching body — but it also is apparent that Larry Bird, by far the most important of the Celtics, is just getting better with age.
With Kevin McHale resting a sore knee Wednesday night, the Celtics were trailing the Portland Trail Blazers, 106-96, with less than five minutes left in their game when Bird scored nine points in a 15-4 spurt that put his team en route to a 113-112 victory. Dennis Johnson sinking two free throws in the closing seconds.
The game ended in controversy when Clyde Drexler of the Trail Blazers missed on a bank shot that appeared to have been touched by Robert Parish of the Celtics while the ball was on the rim. Officials Blaine Riechel and Hue Hollins made no call, so the Celtics won.
Still, the game belonged to Bird, even before he led the winning rally. He finished with 44 points, a point a minute, 11 rebounds, 8 assists and a steal, making 17 of 35 shots after completely missing on his first two.
"I don't know what happened on those first two," Bird said, adding that "with all those shots I should have done better. I just didn't have any rhythm at the beginning."
"Larry's on a roll, a serious roll," said Portland's Drexler, who led his team with 36 points. "He hit all his shots in the final eight minutes."
"The Celtics played great, and Bird is unstoppable," said the Trail Blazers' coach, Mike Stuber. "I don't think you can stop Bird — I didn't have a gun."
Schuler was upset that he didn't get the goaltending call, but was quick to point out "we didn't lose the game on that call."
While acknowledging that Bird's offense carried the Celtics, his coach, K.C. Jones, most praised Bird's defense.
"Larry did a great job in the last minute on Vandeweghe," Jones said.
The usually high-scoring Kiki Vandeweghe got only 16 points in the game, and was held to four in the final period.
Since the break for the all-star game, Bird, almost by himself, has lifted the Celtics to six victories in eight games. One of the losses, in Denver, came after his nose had been broken. Including that game, in which he was only 4 for 15 shooting, largely because of the injury, he has averaged 35.6 points, 12 rebounds and 6.4 assists.
Of those eight games, Parrish has missed five with a back injury, McHale has been dragging and Johnson limping. (LAT, AP)



Larry Bird

SPORTS BRIEFS

Tyson-Spinks Bout Set

NEW YORK (UPI) — Real estate developer Donald Trump announced Thursday that he had paid a record price of \$11 million to land the Mike Tyson-Michael Spinks heavyweight title fight June 27 for his casino in Atlantic City, New Jersey.
The previous record site fee was \$6.8 million, paid by Caesar's Palace in Las Vegas for the Ray Leonard-Marvin Hagler bout last April 6. The closed circuit and pay TV money should enable Tyson-Spinks to break the record net of about \$30 million set by the Leonard-Hagler bout.
Trump said ringside seats will cost \$1,500 — double those for Leonard-Hagler — and the double seats \$100. A sell-out crowd of 21,135 would bring a gate of more than \$11 million.

For the Record

Lloyd Honeyghan of Britain, who lost his world welterweight title to Jorge Vaca of Mexico in October, says gotten rematch March 29 at Wembley Arena in London.
Tommy Kramer, the Minnesota Vikings' quarterback, was acquitted by a jury of drunk-driving charges. (UPI)

America's Cup Field Expanded By San Diego, Likely Too Late

New York Times Service
NEW YORK — The San Diego Yacht Club has agreed to a proposal for a multination America's Cup challenge this year, but probably too late for anyone to build a boat in time for a sailoff with New Zealand before the September cup regatta.
Wednesday's concession was made because a syndicate represented by the Royal Burnham Yacht Club of Britain had asked the New York State Supreme Court, which oversees the America's Cup Deed of Gift as a charitable trust, to prevent racing this year unless San Diego agreed to multiple challenges.
Kenneth Poovey, an attorney for San Diego, said after a court hearing Wednesday that San Diego has considered it "an empty gesture" to open the 1988 challenge to other nations when it seemed impossible for them to meet the deadline. San Diego changed its mind with the British request.
Justice Carmen Beauchamp Ciparick said at the hearing that she would decide later on that request.
Royal Burnham wants the court to strip San Diego of its right to the America's Cup if it will not allow other countries to race. San Diego became guardian of the cup after Dennis Conner won it from Australia last year.
Ciparick asked the attorney for the Royal Burnham, Richard Sharfman, if his client would be ready to race in a sailoff with Fay this September. "We would make every effort to be on that starting line in 1988," he said.
Michael Fay, a New Zealand merchant banker who is scheduled to sail as challenger against San Diego for the America's Cup beginning Sept. 19, plans to launch his new 90-foot (27.4-meter) monohull next month. San Diego had refused Fay's proposal for a 1988 sailoff by suggesting instead a series of compromises that would have delayed the racing altogether until 1990 or 1991.
George N. Tompkins Jr., a New York attorney representing Fay, criticized San Diego for waiting so long to agree to a proposal Fay made last summer and said, "No one is going to build a 90-foot yacht when San Diego has announced it will show up with a catamaran."
He was referring to San Diego's intention to build two multihulls, which are typically faster than monohulls, for its defense of the America's Cup. Rules for the regatta would force other challengers to follow Fay's lead with a monohull that measures 90 feet at the waterline.

SCOREBOARD

Table with 2 columns: Conference and Standings. Lists NBA Standings (Eastern and Western Conferences) and Wednesday's Results for various sports.

Basketball

Table with 2 columns: Team and Score. Lists NBA game results including Boston vs. Philadelphia and New York vs. Washington.

U.S. College Results

Table with 2 columns: Team and Score. Lists U.S. College basketball results including Princeton vs. Belie St. and Col. Southern vs. Colorado St.

Hockey

Table with 2 columns: Conference and Standings. Lists National Hockey League Standings (Wales and Adams Divisions) and Wednesday's Results.

Transition

Advertisement for Blancpain watches. Features a large image of a Blancpain watch with a detailed dial and the text 'Transition' and 'Blancpain'. The text emphasizes the brand's history since 1735 and its reputation for precision.

Statistics Index table with columns for Market, Index, and Date.

WALL STREET WATCH

Still Sore, Fund Managers Stay Ready and Stock Cash

By ANISE C. WALLACE
NEW YORK — Even though four months have passed since the stock market collapsed, professional money managers are still acting as if it happened yesterday.

"People have absolutely no conviction about the economy," says one analyst.

Indeed, the cash pile is so high that some contrarian investors see it as a sign that the stock market might soon stage a strong rally, if only temporarily.

SAID NORMAN G. FOSBACK, editor of the Mutual Fund Forecaster, a newsletter based in Fort Lauderdale, Florida.

Those figures are average for all of Fidelity's funds. In some of the more aggressive funds of Fidelity, cash levels are said to be as much as three and four times that high.

Philips Profit Falls 19%

Up to 20,000 Jobs To Be Eliminated

By Ronald van de Krol
Special to the Herald Tribune
EINDHOVEN, the Netherlands — Philips NV, the giant Dutch electronics group, said Thursday that its profit tumbled 19 percent.

The company also said that it planned to eliminate up to 20,000 jobs, or 6 percent of its worldwide workforce.

Volume sales rose 7 percent, however, Philips, which is Europe's largest electronics group, said it expects a similar increase this year.

Mr. van der Klugt said that operating profit could fall again in 1988 as the company accelerates efforts to restructure and trim costs.



A Frenetic Trader's Menacing Edge

Mulheren Arrest Reveals Dark Side of His Zest for Risk

By Anise C. Wallace
New York Times Service
NEW YORK — If John A. Mulheren Jr. had had his way, he would now be a member of the U.S. Olympic luge team in Calgary, Alberta.

Not only had he developed a daring new technique in his training, but the fun-loving Mr. Mulheren even planned to shoot down the Calgary run wearing a mask.

Mr. Mulheren's recent actions represent a tragic side to the excesses that have gripped Wall Street in the 1980s.

GNP Growth Revised Upward In U.S. to 4.5%

WASHINGTON — The U.S. economy grew at a brisk 4.5 percent annual rate in the fourth quarter of 1987, the Commerce Department said Thursday.

The larger increase in growth, as measured by gross national product, also clouded earlier assumptions about the source of the economy's strength.

Based on the earlier figure, analysts had sketched a picture of an economy expanding largely because manufacturers were building up inventories.

Expecting the government to report higher levels of exports and inventories, many economists had predicted growth of at least 5 percent.

As a result, economists said the upward revision to the fourth-quarter growth figure contained good news and bad news.

But the slight downward revision to net exports underlined that America faces a long struggle in

OECD Urges Europeans To Foster Deregulation

Given Failure of Budget Policy, It Sees Private Sector as Best Bet for Growth

By Carl Gewirtz
International Herald Tribune
PARIS — Since European nations can't seem to stimulate lagging economic growth through budget and tax policies, they should try removing government constraints on markets.

The organization's secretary is urging government officials, who will meet Friday and again in April in preparation for the OECD's annual ministerial meeting, to set an agenda of bold and broad policy reforms.

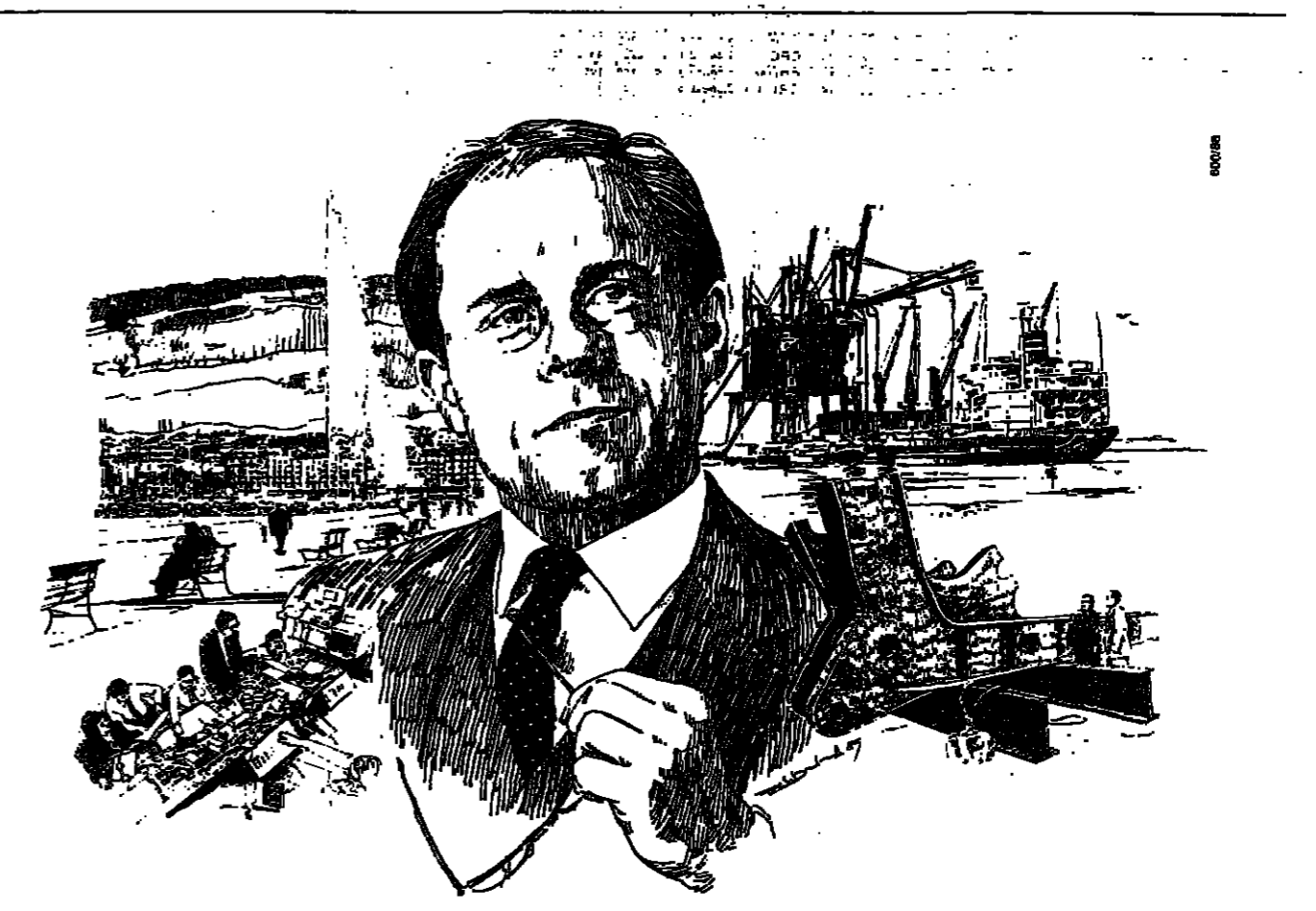
Broadly speaking, the policies are aimed at exploiting the private sector's inherent dynamism by removing government constraints on markets.

Western Europe, in the secretary's view, faces two serious obstacles to improving its dim growth prospects and reducing its already high level of unemployment.

The goal, therefore, is to force other channels of growth to open: through tax reform, strengthening competition and flexibility in the markets and slashing or eliminating subsidies.

This would give the rest of Europe a channel for expansion independent of policy in West Germany.

"Organized resistance by interest groups, who stand to be direct losers from the elimination of special subsidies and insulation from competition, poses an obstacle to many reforms," a paper prepared by the secretary for a meeting Friday of the OECD Economic Policy Committee said.



FOR PRIVATE BANKING IN SWITZERLAND, AN EXCEPTIONAL BANK

As the sixth largest commercial bank in Switzerland, TDB offers a full range of sophisticated private banking services, from fiduciary deposits to asset management.

While we move with the times, our traditional policies do not change. At the heart of our business is the maintenance of a strong and diversified deposit base.

For certain clients we also provide American Express Bank Gold Card® privileges and our exclusive Platinum Card® services.

TDB is an affiliate of American Express Company, which has assets of more than US\$117 billion and shareholders' equity in excess of US\$5.7 billion.

TRADE DEVELOPMENT BANK

An American Express company

Trade Development Bank head office in Geneva, at 96-98, rue du Rhône.

Currency Rates

Table with columns for Currency, Bid, Ask, and other market data.

Table with columns for Currency, Bid, Ask, and other market data.

Interest Rates

Table with columns for Term, Rate, and other market data.

Table with columns for Term, Rate, and other market data.

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Table with columns for Term, Rate, and other market data.

Gold

Table with columns for Location, Price, and other market data.

Thursday's NYSE Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

12 Month High	Low	Stock	Div.	Yld.	PE	52 Week High	Low	Close	Chg.
49	24 1/2	Park	1.00	10.00	10.00	10.00	10.00	10.00	+
100	100	IBM	10.00	10.00	10.00	10.00	10.00	10.00	+
100	100	IBM	10.00	10.00	10.00	10.00	10.00	10.00	+
100	100	IBM	10.00	10.00	10.00	10.00	10.00	10.00	+

AMEX High-Lows

NEW HIGHS	NEW LOWS
Altria	Altria
Altria	Altria
Altria	Altria

NYSE High-Lows

NEW HIGHS	NEW LOWS
Altria	Altria
Altria	Altria
Altria	Altria

AMEX High-Lows

NEW HIGHS	NEW LOWS
Altria	Altria
Altria	Altria
Altria	Altria

U.S. Futures

Via The Associated Press

Symbol	High	Low	Open	High	Low	Close	Chg.
WHEAT (CBT)	11.75	11.75	11.75	11.75	11.75	11.75	0.00
CORN (CBT)	1.75	1.75	1.75	1.75	1.75	1.75	0.00
SOYBEANS (CBT)	4.25	4.25	4.25	4.25	4.25	4.25	0.00

Grains

Symbol	High	Low	Open	High	Low	Close	Chg.
WHEAT (CBT)	11.75	11.75	11.75	11.75	11.75	11.75	0.00
CORN (CBT)	1.75	1.75	1.75	1.75	1.75	1.75	0.00
SOYBEANS (CBT)	4.25	4.25	4.25	4.25	4.25	4.25	0.00

Livestock

Symbol	High	Low	Open	High	Low	Close	Chg.
CATTLE (CME)	71.50	71.50	71.50	71.50	71.50	71.50	0.00
PORK (CME)	42.50	42.50	42.50	42.50	42.50	42.50	0.00
HOGS (CME)	43.50	43.50	43.50	43.50	43.50	43.50	0.00

Currency Options

Symbol	High	Low	Open	High	Low	Close	Chg.
PHILADELPHIA EXCHANGE	1.10	1.10	1.10	1.10	1.10	1.10	0.00
12.50 British Pounds	1.50	1.50	1.50	1.50	1.50	1.50	0.00
100 Swiss Francs	1.50	1.50	1.50	1.50	1.50	1.50	0.00

U.S. Treasuries

Symbol	High	Low	Open	High	Low	Close	Chg.
1-Month	5.50	5.50	5.50	5.50	5.50	5.50	0.00
3-Month	5.50	5.50	5.50	5.50	5.50	5.50	0.00
6-Month	5.50	5.50	5.50	5.50	5.50	5.50	0.00

Food

Symbol	High	Low	Open	High	Low	Close	Chg.
COFFEE (NYMEX)	1.25	1.25	1.25	1.25	1.25	1.25	0.00
SUGAR (NYMEX)	1.25	1.25	1.25	1.25	1.25	1.25	0.00
COCOA (NYMEX)	1.25	1.25	1.25	1.25	1.25	1.25	0.00

Metals

Symbol	High	Low	Open	High	Low	Close	Chg.
COPPER (COMEX)	1.25	1.25	1.25	1.25	1.25	1.25	0.00
ALUMINUM (COMEX)	1.25	1.25	1.25	1.25	1.25	1.25	0.00
ZINC (COMEX)	1.25	1.25	1.25	1.25	1.25	1.25	0.00

Stock Indexes

Symbol	High	Low	Open	High	Low	Close	Chg.
SP 500 INDEX (CME)	1000	1000	1000	1000	1000	1000	0.00
DOW JONES	1000	1000	1000	1000	1000	1000	0.00

Commodity Indexes

Symbol	High	Low	Open	High	Low	Close	Chg.
MOODY'S	1000	1000	1000	1000	1000	1000	0.00
REUTERS	1000	1000	1000	1000	1000	1000	0.00

Market Guide

Symbol	High	Low	Open	High	Low	Close	Chg.
COMEX	1000	1000	1000	1000	1000	1000	0.00
NYMEX	1000	1000	1000	1000	1000	1000	0.00

OECD Sees Slowdown in Austrian Economy

PARIS — Austria's economy, a model of healthy growth and low unemployment in the 1970s, has lost momentum and little improvement seems likely in the next two years despite government efforts, the Organization for Economic Cooperation and Development said Thursday.

Growth in gross domestic product, the total value of goods and services excluding income from foreign investments, has slipped from 6 percent a year before the 1974 oil crisis, to 1 percent in 1987, the OECD said in its annual survey on the Austrian economy.

The group forecast that GDP growth would edge back up to 1.25 percent this year but then dip to 1 percent in 1989.

It also predicted that unemployment would continue to climb to high levels by Austrian postwar standards, from 3.75 percent of the work force in 1987, to 4.25 percent this year and 4.75 percent in 1989.

The 24-nation group added that "government budget deficits have attained proportions where they severely constrain the use of fiscal policy." The federal budget deficit totaled 7.4 percent of GDP in 1986 but the 1988 budget is expected to cut this to about 4.5 percent of GDP.

Doubts on Utility Takeover Plan

By Matthew L. Wald

NEW YORK — Takeover proposals always raise questions about price and terms and often about regulatory approval, but an announcement that the New England Electric System had opened discussions with the bankrupt Public Service Co. of New Hampshire has more than the usual share of uncertainties, experts in the field say.

Last month Public Service became the first investor-owned utility since the Depression to enter bankruptcy, driven into insolvency by licensing problems with the Seabrook nuclear plant, of which it owns 35.6 percent. The company has assets of about \$2.95 billion, all but \$800 million in Seabrook.

New England Electric is considering buying the non-Seabrook portion of Public Service, which serves 365,000 customers, three-quarters of New Hampshire's population, in an economically robust area. New England Electric's service territory abuts Public Service's and the company, known as NEES, has extra generating capacity, while Public Service is floundering. NEES, the second-largest utility in New England, is financially strong and has well-regarded management.

But price, an issue in any takeover, is more confusing in the utility sector because the book value of assets plays such a large role in determining rates. The usual method of calculating the book value of a utility's assets is construction cost minus depreciation.

Paris Commodities

Symbol	High	Low	Open	High	Low	Close	Chg.
SUGAR	1.25	1.25	1.25	1.25	1.25	1.25	0.00
COFFEE	1.25	1.25	1.25	1.25	1.25	1.25	0.00
COCOA	1.25	1.25	1.25	1.25	1.25	1.25	0.00

London Commodities

Symbol	High	Low	Open	High	Low	Close	Chg.
SUGAR	1.25	1.25	1.25	1.25	1.25	1.25	0.00
COFFEE	1.25	1.25	1.25	1.25	1.25	1.25	0.00
COCOA	1.25	1.25	1.25	1.25	1.25	1.25	0.00

Spot Commodities

Symbol	High	Low	Open	High	Low	Close	Chg.
SUGAR	1.25	1.25	1.25	1.25	1.25	1.25	0.00
COFFEE	1.25	1.25	1.25	1.25	1.25	1.25	0.00
COCOA	1.25	1.25	1.25	1.25	1.25	1.25	0.00

London Metals

Symbol	High	Low	Open	High	Low	Close	Chg.
ALUMINUM	1.25	1.25	1.25	1.25	1.25	1.25	0.00
COPPER	1.25	1.25	1.25	1.25	1.25	1.25	0.00
ZINC	1.25	1.25	1.25	1.25	1.25	1.25	0.00

Dividends

Symbol	High	Low	Open	High	Low	Close	Chg.
AMCO	1.25	1.25	1.25	1.25	1.25	1.25	0.00
AMCO	1.25	1.25	1.25	1.25	1.25	1.25	0.00
AMCO	1.25	1.25	1.25	1.25	1.25	1.25	0.00

DM Futures Options

Symbol	High	Low	Open	High	Low	Close	Chg.
DM	1.25	1.25	1.25	1.25	1.25	1.25	0.00
DM	1.25	1.25	1.25	1.25	1.25	1.25	0.00
DM	1.25	1.25	1.25	1.25	1.25	1.25	0.00

S&P 100 Index Options

Symbol	High	Low	Open	High	Low	Close	Chg.
S&P 100	1.25	1.25	1.25	1.25	1.25	1.25	0.00
S&P 100	1.25	1.25	1.25	1.25	1.25	1.25	0.00
S&P 100	1.25	1.25	1.25	1.25	1.25	1.25	0.00

U.S. Futures

Via The Associated Press

Symbol	High	Low	Open	High	Low	Close	Chg.
WHEAT (CBT)	11.75	11.75	11.75	11.75	11.75	11.75	0.00
CORN (CBT)	1.75	1.75	1.75	1.75	1.75	1.75	0.00
SOYBEANS (CBT)	4.25	4.25	4.25	4.25	4.25	4.25	0.00

Grains

Symbol	High	Low	Open	High	Low	Close	Chg.
WHEAT (CBT)	11.75	11.75	11.75	11.75	11.75	11.75	0.00
CORN (CBT)	1.75	1.75	1.75	1.75	1.75	1.75	0.00
SOYBEANS (CBT)	4.25	4.25	4.25	4.25	4.25	4.25	0.00

Livestock

Symbol	High	Low	Open	High	Low	Close	Chg.
CATTLE (CME)	71.50	71.50	71.50	71.50	71.50	71.50	0.00
PORK (CME)	42.50	42.50	42.50	42.50	42.50	42.50	0.00
HOGS (CME)	43.50	43.50	43.50	43.50	43.50	43.50	0.00

Currency Options

Symbol	High	Low	Open	High	Low	Close	Chg.
PHILADELPHIA EXCHANGE	1.10	1.10	1.10	1.10	1.10	1.10	0.00
12.50 British Pounds	1.50	1.50	1.50	1.50	1.50	1.50	0.00
100 Swiss Francs	1.50	1.50	1.50	1.50	1.50	1.50	0.00

U.S. Treasuries

Symbol	High	Low	Open	High	Low	Close	Chg.
1-Month	5.50	5.50	5.50	5.50	5.50	5.50	0.00
3-Month	5.50	5.50	5.50	5.50	5.50	5.50	0.00
6-Month	5.50	5.50	5.50	5.50	5.50	5.50	0.00

Food

Symbol	High	Low	Open	High	Low	Close	Chg.
COFFEE (NYMEX)	1.25	1.25	1.25	1.25	1.25	1.25	0.00
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COCOA (NYMEX)	1.25	1.25	1.25	1.25	1.25	1.25	0.00

Metals

Symbol	High	Low	Open	High	Low	Close	Chg.
COPPER (COMEX)	1.25	1.25	1.25	1.25	1.25	1.25	0.00
ALUMINUM (COMEX)	1.25	1.25	1.25	1.25	1.25	1.25	0.00
ZINC (COMEX)	1.25	1.25	1.25	1.25	1.25	1.25	0.00

Stock Indexes

Symbol	High	Low	Open	High	Low	Close	Chg.
SP 500 INDEX (CME)	1000	1000	1000	1000	1000	1000	0.00
DOW JONES	1000	1000	1000	1000	1000	1000	0.00

Commodity Indexes

Symbol	High	Low	Open	High	Low	Close	Chg.
MOODY'S	1000	1000	1000	1000	1000	1000	0.00
REUTERS	1000	1000	1000	1000	1000	1000	0.00

Market Guide

Symbol	High	Low	Open	High	Low	Close	Chg.
COMEX	1000	1000	1000	1000	1000	1000	0.00
NYMEX	1000	1000	1000	1000	1000	1000	0.00

U.S. Futures

Via The Associated Press

Symbol	High	Low	Open	High	Low	Close	Chg.
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HOGS (CME)	43.50	43.50	43.50	43.50	43.50	43.50	0.00

Currency Options

Symbol	High	Low	Open</
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BUSINESS ROUNDUP

Campeau Agrees to Sell Brooks Unit

United Press International
TORONTO — Campeau Corp., the Canadian real estate developer and retailing concern, said Thursday that it had agreed in principle to sell its Brooks Brothers operation for \$770 million to British's Marks & Spencer PLC to help finance a hostile bid for Federated Department Stores Inc.

to \$63.125, in Thursday trading on the New York Stock Exchange.
"He has turned the screw a little tighter," said Monroe Greenstein, a retail analyst with Bear, Stearns. Federated, the fifth-largest U.S. retailer and parent of such upscale chains as Bloomingdale's and J. Magnin, has vigorously resisted the Campeau bid.

British Telecom's Profit Rose 13.4% in Quarter

Reuters
LONDON — British Telecommunications PLC said Thursday that pretax profit rose 13.4 percent in its third quarter ended Dec. 31, to \$74 million (\$1.01 billion), as sales rose 8.3 percent to \$2.6 billion. The profit figure was slightly below analysts' forecasts.

Saint-Gobain Seeks All of Certain Teed

Compiled by Our Staff From Dispatches
PARIS — Compagnie de Saint-Gobain, the diversified French glassmaker, and the public water utility Compagnie Générale des Eaux said Thursday that they were forging closer business ties. At the same time, Saint-Gobain launched a \$444.8 million bid for the portion of a U.S. building-materials maker it does not already own.

BELGIUM: De Benedetti Doubles Générale Bid After Rivals Claim Victory

(Continued from Page 1)
péennes Réunies, or Cerus, raised its tender offer to 8,000 Belgian francs (\$226) a share for about 7 percent of Générale's shares.

State Approves Bank of N.Y.'s Bid for Irving

Compiled by Our Staff From Dispatches
NEW YORK — State regulators gave a nod Thursday to Bank of New York Co.'s hostile bid for Irving Bank Corp., concluding that a merger would not hurt competition in the U.S. financial center.

Union Bank Says Net Fell 3% in '87

Reuters
ZURICH — Union Bank of Switzerland, the nation's largest bank, reported Thursday that its net profit fell by 3 percent in 1987 to 753 million Swiss francs (\$540 million), its first drop in nine years.

Feldmühle's Net Rises as Sales Grow Slightly

Reuter
DUSSELDORF — Feldmühle Nobel AG, the industrial core of the former Flick group, said Thursday that group net profit rose in 1987 and sales grew 1.8 percent to 9.8 billion Deutsche marks (\$3.8 billion).

ICI Profit Up 29% in 1987

Reuters
LONDON — Imperial Chemical Industries PLC said Thursday that pretax profit rose 6.9 percent to \$308 million (\$543 million) in the fourth quarter of 1987 from a year before.

Company Results

Table with columns for Company Name, 1st Half, 2nd Half, 3rd Quarter, 4th Quarter, and Year. Includes companies like British Telecom, Hanson Trust, Royal Insurance, etc.

PHILIPS: Lower Profit, Big Job Cuts Are Announced

(Continued from first finance page)
In London, Angela Dean, an analyst at Robert Fleming Securities Ltd., said Philips' net profit would probably be flat in 1988.

Company Results

Table with columns for Company Name, 1st Half, 2nd Half, 3rd Quarter, 4th Quarter, and Year. Includes companies like British Telecom, Hanson Trust, Royal Insurance, etc.

ROYCO HIGH PERFORMANCE BONDS

Advertisement for ROYCO High Performance Bonds, featuring a 35% p/a average net return in past 3 years and capital guaranteed.

BUSINESS SCHOOL LAUSANNE M.B.A.

Advertisement for Business School Lausanne M.B.A., mentioning B.S.I. introduces in February 1988 and the Master of Business Administration.

Exchange Cancels Aude Trades

Compiled by Our Staff From Dispatches
AMSTERDAM — The stock exchange said Thursday that it was canceling Tuesday's trades in the stock of Aude NV because of the way NV Vercoged Beitz VNU raised its takeover bid for Aude.

BHP Shareholders Approve \$1.94 Billion Plan to Thwart a Takeover

Reuters
MELBOURNE — Shareholders of Broken Hill Pty. overwhelmingly approved Thursday a \$1.94 billion plan to restructure the company to thwart a takeover of Australia's largest company.

Company Results

Table with columns for Company Name, 1st Half, 2nd Half, 3rd Quarter, 4th Quarter, and Year. Includes companies like British Telecom, Hanson Trust, Royal Insurance, etc.

FIDELITY AMERICAN ASSETS N.V.

Advertisement for Fidelity American Assets N.V., including registered office in Curacao and details on the annual general assembly.

NOTICE OF ANNUAL GENERAL ASSEMBLY OF SHAREHOLDERS

Notice of Annual General Assembly of Shareholders for Fidelity American Assets N.V., detailing the agenda for the meeting on March 15, 1988.

London Metals

Table listing various metal prices such as Gold, Silver, and Platinum in London.

FIDELITY INTERNATIONAL FUND

Advertisement for Fidelity International Fund, including notice of annual general meeting and details on investment objectives.

SYSTEMTREND GUARANTEED LIMITED

Advertisement for Systemtrend Guaranteed Limited, highlighting a 55.8% increase in 1987 and offering US Treasury Bonds.

Indigo Ideas

Advertisement for Indigo Ideas, offering technology stocks and market analysis.

Getty Petroleum Buys Into Texas

Advertisement for Getty Petroleum, mentioning a buy-in into Texas and other energy-related news.

Selected U.S./O.T.C. Quotations

Table of selected U.S. and O.T.C. market quotations for various stocks.

Indigo Ideas

Advertisement for Indigo Ideas, providing contact information and details about their market analysis services.

Indigo Ideas

Advertisement for Indigo Ideas, detailing their investment research and market insights.

Indigo Ideas

Advertisement for Indigo Ideas, focusing on their technology stock analysis and market trends.

Indigo Ideas

Advertisement for Indigo Ideas, providing information on their market research and investment opportunities.

CURRENCY MARKETS

Dollar Slips in N.Y. on GNP Revision

NEW YORK — The dollar closed slightly lower Thursday in New York, weakened by a smaller-than-expected upward revision in the U.S. gross national product for the fourth quarter.

London Dollar Rates

Table with columns: Country, Rate, and other financial data.

The dollar closed in New York at 1.6935 Deutsche marks, down from 1.6960 at Wednesday's close, and at 128.50 yen, down from 128.80, it dipped to 5.7285 French francs from 5.7295 and to 1.3915 Swiss francs from 1.3950.

Japan's GNP Grew at 6% Rate in Quarter

TOKYO — Japan's economy expanded at an annual rate of about 6 percent in the final three months of 1987, government economists estimated Thursday.

ARB: Arrest Suggests a Menacing Edge to a Trader Who Reveled in Risk

(Continued from first finance page) paced world of risk arbitrage. He was suited to this world because of his own, highly charged, risk-oriented personality.

Mulheren Reportedly Rescued Boesky in '82

By James Sterngold New York Times Service NEW YORK — One of John A. Mulheren Jr.'s closer friends on Wall Street was the fallen trader, Ivan F. Boesky, and it was a relationship that helped rescue Mr. Boesky from financial crisis at a crucial time in his career.

Boesky's firm suffered huge losses. In fact, according to several Wall Street sources with knowledge of his operations, he lost more than \$60 million. If he had sold his stock and realized the loss he would have been insolvent, the sources said.

Mr. Boesky turned to Mr. Mulheren and the securities firm he worked for at that time, Spear, Leeds & Kellogg. With Mr. Mulheren's help, he put together a highly complex transaction involving stock options.

Nikkei Climbs Above 25,000

TOKYO — Tokyo's main stock market index, the Nikkei, burst through the 25,000 point barrier Thursday on bullish sentiment that brokers said lacked a special focus.

WORRIED: Fund Managers Stay Away From Stocks

(Continued from first finance page) why they have not bought stocks in recent months. But the chief one is that they think prices will go lower.

likely to rise soon after the high of 2,080 set by the Dow Jones industrial average on Oct. 21, Mr. Hale noted that the Dow dropped 140 points in January after approaching that level.

Mr. Mulheren's huge training typified his enthusiasm for whatever he undertook. Over the past few years he traveled to Lake Placid, New York, to learn the sport.

Thursday's OTC Prices NASDAQ prices as of 4 p.m. New York time. This list, compiled by the AP, consists of the 1,000 most traded securities in terms of dollar volume.

Table with columns: High, Low, 4 P.M. Close, and other market data.

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NEW ZEALAND

AUSTRALIA

FAR EAST

MIDDLE EAST

LATIN AMERICA

Quickly and Easily

Tribune

Nickel Rises to Record

Thursday's AMEX Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

Via The Associated Press

12 Month High Low Stock Div. Yld. PE 52-Week High Low

Table with columns: 12 Month High Low Stock Div. Yld. PE 52-Week High Low. Lists various stocks and their prices.

Table with columns: 12 Month High Low Stock Div. Yld. PE 52-Week High Low. Lists various stocks and their prices.

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Table with columns: 12 Month High Low Stock Div. Yld. PE 52-Week High Low. Lists various stocks and their prices.

INTERNATIONAL FUNDS (Quotations Supplied by Funds Listed) 25th Feb. 1988

Net asset value quotations are supplied by the Funds listed with the exception of some quotes based on issue price.

The marginal symbols indicate frequency of quotations supplied: (D) - daily; (W) - weekly; (B) - bi-monthly; (M) - monthly; (I) - irregularly.

Table listing various international funds with columns for fund name, net asset value, and other details.

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Be sure that your fund is listed in this space daily. Telex Matthew GREENE at 61357Z for further information.

Floating-Rate Notes

Feb. 25

Table listing floating-rate notes with columns for currency, issuer, coupon, and bid/ask prices.

Deutsche Marks

Table listing Deutsche Mark notes with columns for issuer, coupon, and bid/ask prices.

Japanese Yen

Table listing Japanese Yen notes with columns for issuer, coupon, and bid/ask prices.

Pounds Sterling

Table listing Pounds Sterling notes with columns for issuer, coupon, and bid/ask prices.

E.C.U.

Table listing E.C.U. notes with columns for issuer, coupon, and bid/ask prices.



PEOPLE

Queen Elizabeth Heads List of U.K. Billionaires.

Britain has seven billionaires in pounds sterling, headed by Queen Elizabeth II, whose personal fortune was estimated at £3.34 billion (almost \$5.83 billion) by Money Magazine.

Tammy Faye Bakker wants the Academy Award-winning actress Sally Field to play her in a made-for-TV film about the saga of her and her husband Jim Bakker's fall from grace as leaders of the PTL evangelical ministry.

A neurologist at the University of California at San Diego has been awarded the first Polak Prize for Alzheimer's Research, a \$100,000 sum to help the scientist further studies of the disease.

García Márquez on Love and Plagues



The busy Gabriel García Márquez.

By Marlies Simons
GABRIEL GARCÍA MÁRQUEZ is about to publish "Love in the Time of Cholera," a work he calls a novel of manners: the story of two people whose lives, thwarted in their youth, finally flourish when they are close to 80.

any creation, the two stories came together in my mind. I had all the love of the young people from my parents and from the old couple I took the love of old people.
What are you trying to achieve at the cinema foundation?
I'd like to see filmmaking as an artistic expression in Latin America valued the same way as our literature is now.

OBSERVER
And in a Clean Glass

By Russell Baker
NEW YORK — A mind in search of an idea:
George Bush... burning bush... Moses... Aaron... baseball... home runs...
Absolutely not! No baseball column! Try again.

TODAY'S INTERNATIONAL REAL ESTATE MARKETPLACE
Appears on page 20
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